FOR MYSORE STATE.

P.W (1954) Department.

MS. SERIES.

G.O. NO. 1807

1807

Dated 19.5.1954

[Despatch Abstract.]

Electricity - Indipi electrical undertaking
Acquisition by Govt. = Payment of ~~[illegible]~~
Compensation - Award of Arbitrator - Dec
by Madras High Court and payment
fee to Asst. Govt. Pleader - Papers recon

Tel:"Electricity". Electricity Department.

From
Sri K.V. Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government, 157, Mount Road,
Madras-2.

To
The Government Pleader,
High Court Buildings,
Madras.

No.151-N/51-207 dated 11-6-1953.

Sir,

Sub: Udipi company electrical undertaking - Taken over by Government - Payment of final compensation - Arbitration.

Ref: Letter dated 5-6-53 from the ~~Government Pleader~~ Arbitrator, copy sent to Government Pleader.

***

I enclose 3 copies of the counter-statem to the claim of the Accredited Representative of the Udi electrical undertaking. I request you to sign the name and file one copy before the Arbitrator and one copy may be sent to the advocate for the Accredited Representati Sri M. Ramachandra Rao, No.13, Law Chambers, High Court, Madras. I am sending a copy of the counter-~~claim~~ statement to th Chief Operation Engineer (South) and to the Secretary t Government, Public Works Department, Madras. If any corrections are made by you, the same may be intimated t me.

Yours faithfully,

Chief Electrical ~~Inspector~~
to Government.

Mvr.

Copy to: The Secretary to Government, Public Works Department, Fort St. George, Madras-9 for information together with a copy of the claim of the Accredited Representative and the counter-statement preferred by me.

-do- The Chief Operation Engineer (South), 157,Mount Madras-2 for information with a copy of the counter-statement.

Encl:

35-3

P.W.D(L3)

G.O.Ms. No. 3985 Pw dt 25-9-1952 which required for reference is put up in another f which was sent to Legal/Jm on 17.6.53. The G.O being called for separately from the dept. Af

Between:

Sri K.V.Subba Rao,
the Accredited Representative of
the Udipi Electric Supply
Corporation Ltd., CLAIMANT

And :

The State of Madras. RESPONDENT.

A.1.5-31

The Statement of Sri K.V.Subba Rao, the Accredited Representative of the Udipi Ele Supply Corporation Limited., as per the di of the Arbitrator contained in his communi dated 5-6-1953 with reference to G.O.Nos. 2257, dated 25-5-1953, 2333 and 2334 dated 29-5-1953.

M.Ramachandra Row B.A.B.L.,
Advocate,
or Accredited Representative.

BEFORE THE ARBITRATOR, SRI K. CHAKRAVARTHI, RETIRED DISTRICT JUDGE MADRAS.

Between:

Sri K.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Ltd., Claimant.

And:

The State of Madras. Respondent.

The Statement of Sri K.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited., as per the direction of the Arbitrator contained in his communication dated 5-6-1953 with reference to G.O. Nos. 2257 dated 25-5-1953, 2333 and 2334 dated 29-5-1953.

FP 13-14-1 (R)

1. The Claimant is the Sole and Accredited Representative o the Udipi Electric Supply Corporation Limited., appointed as such by the said Company at its meeting held on 21st February, 1951, pursuant to the provisions of Section 8 of the Madras Electricity Supply Undertakings (Acquisition) Act, 1949, Madras Act XLIII of 1949 and he is submitting his claim against the Respondent in thi capacity.

The address of the Claimant, for service of all notic and processes is that of his advocate Sri M.Ramachandra Row at No.13, Law Chambers, High Court, Madras.

2. The Respondent is the State of Madras, which is repre sented in the acquisition proceedings by the Secretary to the Government of Madras, Public Works Department and the Chief Elec cal Inspector to Government. (3) Pursuant to the powers whic the Respondent, the State of Madras vested itself with under its own Enactment, that is, the Madras Electricity Supply Undertaking (Acquisition) Act, 1949, the Respondent compulsorily acquired with effect from 1.6.1951 the undertaking of the Udipi Electric Supply Corporation Limited., a Public-limited Company registered under the Indian Companies Act, and having its Registered Office at Madras and its power houses at Udipi and Karkala.

he Claimant is advised that the said Act is ultravires of the powers of the State of Madras and of the Local legislatures; but the Claimant is not raising that issue in the proceedings before the learned Arbitrator and he reserves his right to raise it in appropriate proceedings if and when necessary.

4. The Respondent having compulsorily acquired the undertaking of the Udipi Electric Supply Corporation Limited as aforestated, the Claimant as the Sole and Accredited Representative of the Company intimated to the Respondent that he chose as the basis of compensation Basis 'C' referred to under Section 5 (3) of the Madras Electricity Supply Undertakings (Acquisition) Act, 1949, and submitted his Statement of Claim to the Respondent on 5.12.1951 for Rs. 1,90,410--2--9.

5. The Respondent, by its G.O. Mis. 3985 P.W.D. dated 5.9.1952 accepted the claim of the Claimant only to the extent f Rs. 1,55,055--3--2 and rejected the balance of the claim amounting to Rs. 35,354-15--7. This difference comprises the following tems, that is:-

(a) Disallowance on the claim of V.M.Diesel set. Rs.	8,362-12--0
(b) Disallowance on the Blackstone engine set.	6,390--1--4
(c) Disallowance on Fuel supply system.	304-12--0
(d) Disallowance on Crossley diesel set at Karkala Power House.	4,728--4--0
(e) Disallowance on Mains Account.	701--6--0
(f) Disallowance on Transformers.	0-11--0
(g) Disallowance in respect of stores and spare parts.	4,503-12--6
(h) Disallowance on ~~repair~~ furniture and fittings	40--4--0
(i) Disallowance on prepaid expenses.	387--2-10
(j) Difference of Solatium.	9,558-14-10

6. In respect of the said difference, correspondence passed between claimant and Respondent, as a result of which, the Claimant accepted disallowances to the extent of Rs. 2,717--6--0 as follows:-

(a) Rs. 2,371-11--0 in respect of the V.M.Engine set.

(b) Rs. 304-12--0 in respect of fuel supply system.

(c) Rs. 0-11--0 in respect of transformers.

(d) Rs. 40--4--0 in respect of furniture and fittings.

while the Respondent allowed the Claim of the Claimant to the extent of Rs. 538-11--0. The Claimant also received from the Respondent through the Liquidator Mr. C.S. Sastri, a further sum of Rs. 114--9--4 in respect of prepaid expenses. Further, the Claimant is now willing to accept the reduction of 5% in respect of Solatium claimed by him and confine his claim to the differences, amounting to Rs. 22,585--2--0 plus Solatium 15% thereon. Particulars of the said claim and the reasons justifying the same are given below item by item.

Before dealing with the various items of dispute between the Claimant and the Respondent, the Claimant craves the leave of the Learned Arbitrator to place before him, a few facts relating to the Udipi Electric Supply Corporation Limited.

This Company was registered in the year 1936 on 21st December. The Power House started operation in October, 1938. In november 1939, the last War broke out. The Company did not have sufficient time to be able to build up its load in a small place like Udipi. The moment the war came, the Respondent introduced black-out restrictions, so that street lighting remuneration was greatly affected. Further, diesel oil supplies were also restricted; the result was that throughout the war period, Electricity Companies, particularly small power stations suffered loss. After the war stopped in or about 1945, prices of diesel and lubricating oils and maintenance materials went up very high, but the rates for electricity supply continued to remain the same and it took some time for the Respondent to formulate a war condition surcharge plan. It was only in or about the year 1947, that meagre surcharges were permitted to be levied. This enabled the Company to make just both ends meet. When, further representations were made 100% surcharge was sanctioned to the Company, to enable it to make up the arrears of depreciation and losses. Just at that crucial moment, the compulsory Acquisition Act was passed and a notice was served on the

the Company to hand over the Electrical Undertaking and the Undertaking vested with the Government on 1.5.1951. The basis for payment of compensation selected naturally was Basis 'C'. Owi to the history of the Company and the continued losses it suffered it could not select either Basis A or Basis B. Under Basis 'C' compensation is given on book value less depreciation plus a solatium; and the depreciations allowed have been such that the Respondent has acquired the assets of the Company at practically their scrap value. The shareholders have thus been put to very great hardship and they have not got any return for their investments. All their assets have, so to say, been written off by depreciation and they have been given a very small compensation. Under the present market conditions, the assets of the Company would have fetched 50% more on the Capital. The Claimant prays that the Learned Arbitrator may be pleased to take the above fact into consideration, while giving his award on the various items of claim made by the Claimant herein.

7. Disallowance on V.M.Engine set Rs.5,991--1--0: One it of claim over which there is difference between the Claimant and the Respondent relates to V.M.engine set. In this connection a few facts need to be stated. The Mechlec Engineering Co., Ltd. who were the Managing Agents of the Udipi Electric Supply Corporation Limited., as well as of the Chicacole Electric Supply Corporation Limited., placed a contract with Messrs. Siemens (India) Limited., for supply and erection of power equipments at Udipi and Chicacole. Two big V.M. sets and one small set were erected at Udipi and two big V.M. sets and one small set were erected at Chicacole. As the full amount of the contract was not paid to the said Messrs. Siemens (India) Ltd., they would not allow possession to be taken. Thereupon, an arrangement was mad with the said Company whereby the said Messrs. Siemens (India) Ltd., permitted the Udipi Electric Supply Corporation Limited., to take possession of one big V.M. and one small V.M. set and the Chicacole Electric Supply Corporation Limited., one small set and it was agreed that the other big V.M. set at Udipi and

the two big V.M. sets at Chicacole should be given possession
only after payment of the balance amount due to the said Compa
n the last war broke out, the said Messrs. Siemens (India)
., was declared an enemy company and all its assets and affair
s vested in the Controller of Enemy Firms who called upon
Udipi Electric Supply Corporation Limited., on 18-11-1939
payment of the amount due to the said Messrs. Simens(India)
., The Account of the said Messrs. Siemens(India) Ltd., was
ally settled only about June 1940. The Controller of Enemy
ms thereafter sent Mr. Kothandan, Erector, to Udipi about
ust 1940 to run the said V.M.engine set in question, test it
hand it over to the Udipi Electric Supply Corporation Ltd.,
was therefore in August 1940 that the said V.M.engine set
actually handed over to the Udipi Electric Supply Corporation
ited., Till then, only the first V.M.engine set and the small
. set were working at the Power House at Udipi. About that
e, the military authorities requisitioned the first V.M.Engine
that was running at the power house at Udipi and it was
ded over to them on 17-10-1941, through Messrs. Volkart Brothe
received it on behalf of the Controller of Supplies, Madras.
ugh possession of the Second V.M. set now in question was got
August 1940, as the first V.M. set was requisitioned by the
itary authorities, it was not put into commission until after
first set was actually handed over to the military authoritie
17-10-1941 through Messrs. Volkart Brothers. Till 17-10-1941,
ply was maintained at the Power House at Udipi only by the
st big V.M.engine set and the small A4M set. The set that
handed over to the Respondent on the vesting of the Undertaki
the said second big V.M. set which was put into commission
October 1941. The above are the true facts. The Respondent,
withstanding the actual facts, has calculated depreciation
the V.M. set in question, that is the second set, for the
pose of arriving at its value for granting compensation, from
year 1938-39 onwards instead of from the year 1941-42. The
pondent has failed to appreciate the fact that although the
d set was erected at the Power House, the Udipi Electric

get possession thereof until August 1940. It is therefore obvious that the question of depreciation does not arise at al until August 1940. As already stated, above although the set in question came into possession of the Udipi Electric Supply Corporation Limited., in August 1940, it was not put into oper till 17-10-1941. During the said period, it should be treated as general stores material and depreciation for wear and te can and should be taken into account only from the date when t set was put into operation, that is from 17-10-1941. The Clai submits that the action of the Respondent in taking into accou depreciation for the years during which the said V.M. set was in the possession and control of the Udipi Electric Supply Cor Limited., and was not put into operation is contrary to law ar On a proper calculation the value of the depreciation that the Respondent should have taken into account would be Rs.16,574-11 and not Rs. 22,565-12--0. The Claimant therefore submits that this head he is entitled to claim from the Respondent an addit sum of Rs. 5,991--1--0 as compensation plus solatium of 15 per thereon, amounting to Rs. 898-12--0, the two sums aggregating t Rs. 6,889-13--0.

8. Disallowance on the Blackstone Engine set Rs. 6,390--1--4:

The next item of claim over which there is difference betw the Claimant and the Respondent relates to the Blackstone Engi set. For the purpose of payment of compensation under Section of the Madras Electricity Supply Undertakings(Acquisition) Act 1949, depreciation is calculated at annual rates arrived at by ding 90 per cent of the book value of each asset by the number of years of life of the asset as specified in the Table to Sch II of the Act, 10% of the value being considered as the scrap On that footing, the rate of depreciation with regard to the a said Diesel Engine set works at 6 per cent, the life of a new having been fixed at 15 years. While even this rate of 6 per

depreciation at 12 per cent. The contention of the Respondent appears to be that the rate of 6 per cent applies to new engine sets and the set in question not having been purchased new, the Respondent was entitled to fix its own estimates of the lease of life of the engine which it fixed at 7½ years and therefore calculated depreciation at 12 per cent. The contention of the Respondent is not only untenable but it is primafacie wrong. The Respondent failed to appreciate the fact that an engine set may have been purchased "second-hand", that is not directly from an importer or a wholesaler or a dealer, but from some one who had purchased from an importer, wholesaler, or dealer; nevertheless the engine set may be as good as a new set and there could therefore be practically no difference in the life of such a set & and the life of a new set. After the military authorities requisitioned and took away the first V.M.engine set in October 1941, the Udipi Electric Supply Corporation Ltd., had to purchase another set to maintain supply with the second V.M. set which was then put into operation. It purchased an engine and an alternator in a very good condition and put them into operation in the year 1942. The set worked continuously without a shut-down for a period of 9 years from 1942 till June 1951 when it was handed over to the Respondent in good working condition along with & other assets. The Claimant submits that the Respondent erred in not taking into consideration the fact that the engine set in question, though it was not purchased from importers, wholesalers, or dealers, was as good as a new set, worked for 9 years without giving any trouble and was in good working condition at the time of its handing over to the Respondent. It should not have been considered as a second-hand set in the practical meaning of the term, but should have been deemed as a new set and depreciation calculated at 6 per cent.

In any event, the Respondent erred in calculating depreciation at the arbitrary rate of 12 per cent. This means that the Respondent has determined the life of the set at 7½ years. The very fact that the set worked for 9 years from 1942 till 1951 when it was handed over to the Respondent and presumably continued to work

rom 1951 till date, shows that its life has already been 11 years ar t can reasonably be estimated that it should be possible to run it for at least four more years, if it is well-maintained. Based on the facts, the Respondent ought to have fixed the life of the engine set 15 years and calculated depreciation at 6 per cent. The Respondent h not paid any regard to the nature, age and condition of the engine at the time of its acquisition.

In the matter of compulsory acquisition, just at the time when the undertaking was beginning to make both ends meet and allow depre it works great hardship to the unfortunate shareholders, if an arbitr rate of 12 per cent is fixed for calculating depreciation and the set taken over for the scrap value of 10 per cent of the book value, putt the shareholders to a loss of 90 per cent. Ever since the undertaki commenced operation, owing to exigencies of war and increase in price the undertaking could not make both ends meet and could not allow de ciation for many years; and just when the load had been increased and surcharges were permitted to be levied and the Company's economies ma it possible to allow arrears of depreciation and to make up all the arrears if the licence period was allowed to be run through the Respo has compulsorily acquired the undertaking of the company and it is obvious that the shareholders would be hit hard if the assets are taken at their scrap value.

The Claimant submits that the just and equitable rate of depreciation that should have been calculated in respect of the said Engine set is 6 per cent and calculated on that basis, the Claimant i entitled to get from the Respondent a further sum of Rs.6,590---1--4 u this head, plus a solatium of 15 per cent thereon amounting to Rs.958-- the two sums aggreating to Rs.7,548--9--4.

9. Disallowance on Crossley Diesel Set at Karkala Power House Rs.4,726--4--0: The third item of claim relates to Crossley Diesel Engine Set at Karkala Power House. This set was purchased in the year 1945. The alternator was purchased brand-new from the General Electric Company. The cost of the alternator is almost equal

to that of the Engine. The Engine was in excellent condition when it was purchased. The set worked without any break-down for 6 years from 1945 to 1951. When the Respondent compulsorily acquired it along with the other assets of the Company in 1951, it was in good working condition. From 1951 it has presumably worked satisfactorily for 2 years and it can reasonably be estimated that it would work for as many more years as it has till now. Even in regard to this set, the Respondent has calculated depreciation at the arbitrary rate of 12 per cent without taking into consideration any of the facts stated above. The Claimant submits that the reasons given by him in para 8 supra in support of his claim in regard to Blackstone engine set apply with equal force to his claim in regard to this set also and craves the leave of the Learned Arbitrator to read them as part and parcel of his reasonings under this head. In the case of this set, there is the additional factor that the alternator, the value of which is half of the value of the whole set, was purchased brand new and the Respondent was therefore bound under the provisions of the Act to calculate depreciation in respect thereof at a rate not higher than 6 per cent. The Claimant submits that proper and equitable rate of depreciation that should have been calculated in respect of the entire set is 6 per cent and calculated on that basis, the Claimant is entitled to get from the Respondent a further sum of Rs.4,726--4--0 under this head plus a solatium of 15 per cent thereon amounting to Rs.708-15--0, the two sums aggreating to Rs.5,435--3--0.

10. Disallowance on Mains Account - Rs.701--6--0: The fourth item of claim about which there is dispute between the Claimant and the Respondent relates to allocation by the Respondent of the values of mains under three different heads for the purpose of calculation of depreciation. Depreciation has been calculated at the rate of 5.6 per cent on mains set on concrete supports, and 4.5 per cent on mains set on wooden supports and 2.25 per cent on under ground cable mains. The total value of the mains has been computed at

96,705-14--5 and there is no dispute about this figure. e difference is in regard to allocation of this value der the three heads. The Respondent's allocation is under:

(a) Mains on concrete supports.	Rs.88,845-14--5.
(b) Mains on wooden supports.	Rs. 6,960--0--0.
(c) Underground cable mains.	Rs. 900--0--0.
Total:	Rs.96,705-14--5.

e Claimant has accepted the allocation under the head) that is mains on wooden supports but has disputed the rrectness of the respective allocations under the heads " and "c". Even a cursory thought in regard to allocation der the head "c" is sufficient to convince that the location of Rs.900/- under that head cannot be correct. e Assistant Engineer and Checking Officer of the Respondent ve given the value of 580 ft. of H.T. cable at Rs.500/- and 0 ft. of L.T. 4 core, 500 volts grade 3 x .1 plus 1 x .08 paper sulated including the cost of junction boxes and erection Rs.400/-. It is inconceivable that 580 feet of H.T. cable n be purchased and laid for Rs.500/- and 800 ft. of L.T. cable the specification noted above can be bought and laid and all ble jointings made for Rs.400/-. The estimate of the officers the Respondent are obviously imaginary and will not stand e test of scrutiny based either on facts or on practical mmonsense. On a proper evaluation of the value of underground ble, the Respondent ought to have allocated Rs.5,000/- under e head "c" and not Rs.900/- in which case the allocation under e three heads would be as under:--

(a) Mains on concrete supports:	Rs.84,745-14--5.
(b) Mains on wooden supports:	Rs. 6,960--0--0.
(c) Underground cable mains:	Rs. 5,000--0--0.
	Rs.96,705-14--5.

contd.

If depreciation is calculated at the rates stated above, on the reallocated figures, it would be less by Rs. 701-6-0 and the claimant submits that he is entitled to claim the said sum together with solatium of 15 per cent thereon, amounting to Rs. 105-3-0, the two sums aggregating to Rs. 806-9-0.

11. Disallowances in respect of stores and spare parts Rs. 4,503-12-6

The fifth item of claim over which there is dispute between the Claimant and the Respondent is in regard to Stores and Spare parts Whereas the Claimant has claimed Rs. 25,491-10-11 in respect thereof the Respondent has allowed only Rs. 20,987-14-5. The difference therefore is Rs. 4,503-12-6. The main items disallowed by the Respondent may be brought under three heads that is (a) Rs. 1,500/- being the value of excess stores, (b) Rs. 1,756-10-0 being the difference in the value of spare parts of the V.M.engines as given by the Claimant and as allowed by the Respondent, and (c) Rs. 1,247-2-6 being the difference between the value of the used stores as claimed by the Respondent and that as fixed by theGovernment and other miscellaneous items.

As regards item (a) of Rs. 1,500/- which relates to excess stores, the Respondent has disallowed the entire amount basing its stand on the view that excess in stores can arise only when materials for capital works are issued and debited to the respective heads and the return of surplus materials is neglected to be credited to the particular account. The aforesaid view of the Respondent is erroneous The Respondent failed to appreciate that excess materials in stock can also arise under the following circumstances:—

(a) By directly debiting the values of spare parts of machinery and other maintenance materials purchased to operating accounts, though in fact some of the materials purchased would not have been actually issued at all.

(b) When materials are issued and their values debited in the first instance to operating accounts but subsequently retrie without a corresponding credit to the respective operating account.

The Respondent ought to have allowed the full value of the said excess stores and, in any event, the Respondent ought to have treated the said excess stores as "used stores and spare parts" and allowed such sum as may be decided upon by mutual agreement between the Respondent and the Claimant, as per Section 5 (3) (iii) of the Madras Electricity Supply Undertakings (Acquisition) Act 1949. The Respondent has unjustly refused to pay compensation, while appropriating to itself the excess stock of stores materials physically existing at the time of handing over.

As regards item (b), which relates to spare parts of the V.M.Engine sets, the claimant submits that he claimed from the Respondent Rs. 5,256-10-0 being the actual book value thereof as per Section 5 (3) (iii) of the Act. The said spare parts were purchased new from time to time and were not used, but were kept in store for use as and when they are required. The Respondent however, without any justification, has allowed only Rs. 1,500/- in respect of the said item, The Claimant states that he is entitled to be paid under this head the full compensation asked for by him and is therefore making his claim for the difference of Rs. 1,756-10-0.

As regards item (c), the Claimant submits that whereas he made a claim as per the book values, the Respondent revalued almost all the items and arbitrarily fixed very low values in respect thereof making a difference of Rs. 1,247-2-6 between its valuation and the Claimant's valuation. The Claimant submits that the Respondent was not entitled or justified in revising the book values and in fixing its own values. In any event, the compensation payable in respect thereof should have been decided upon by mutual agreement between the Respondent and the Claimant. There has been no such mutual agreement. The Claimant claims under this head an additional sum of Rs.1,247-2-6 or such sum as the Learned Arbitrator may, after going into the facts of the case, be pleased to fix.

The Claimant therefore submits that under the head "stores and spares" the total extra compensation payable by the Respondent to the Claimant is Rs.4,505-12-6 plus a solatium of 15 per cent amounting to Rs. 675-9-3, the two sums aggregating toRs. 5,179-5-9.

12. The Udipi Electrical Supply Corporation Limited paid in advance the following outgoings, that is,

(a) Licence fee for running the engine for 1 year from 1-4-51 to 31-3-52.
(b) Insurance premium for the period commencing from 16-11-50 to 15-11-51.
and(c) Licence fee to the Panchayat Board for the period 1-4-51 to 31-3-52.

The Respondent having acquired the Company with effect from 1-6-195 that it is but just and equitable and it should bear the said outgoings proportionately. The Claimant, therefore, is entitled to claim fro the Respondent Rs. 125/- in respect of the licence fee for the engi Rs. 97-9-6 in respect of the insurance premium and Rs. 50-0-0 in respect of the Panchayat Board Licence fee, making a total of Rs. 272 plus a solatium of 15 per cent thereon amounting to Rs. 40-14-5. Th total amount therefore due under this head is Rs. 313-7-11.

13. The total amount now due and payable by the Responden to the Claimant is Rs. 25,973-0-0 as per the claims made supra, unde various heads, a tabulated statement of which is given below for rea reference:--

Item of disallowance.	Disallowance claimed.	Solatium @ 15%	T o t a l.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
(1) V.M.Diesel set	5991--1--0 ✓	898-12--0	6889-13--0
(2) Blackstone Engine set	6590--1--4 ✓	958--8--0	7548--9--4
(3) Crossley Diesel set at Karkala Power House.	4726--4--0 ✓	708-15--0	5435--3--0
(4) Mains Account.	701--6--0 ✓	105--3--0	806--9--0
(5) Stores and spare parts.	4505-12--6 ✓	675--9--5	5179--5--9
(6) Prepaid Expenses.	272--9--6	40-14--5	313--7-11
	22685--2--4	3387-13--8	25973--0--0

The Respondent has failed and neglected to pay the said sum of Rs. 25,973-0-0

14. The Claimant therefore prays:--

(a) That the Respondent be directed to pay to the Claimant the said sum of Rs.25,973-0-0 with interest thereon at 3 per cent per annum from 1-10-51 till the date of payment.

(b) That the Respondent be directed to pay to the Claimant the costs of these proceedings.

(c) And that such further or other order as to the Learned Arbitrator may seem meet and just in the circumstances of the case be passed.

3d) K. Ramachandra Rao,
Advocate
OR ACCREDITED REPRESENTATIVE.

(Sd) K. V. Subba Rao.
ACCREDITED REPRESENTATIVE
THE UDIPI ELECTRIC SUPPLY
CORPORATION, LIMITED.

I, K. V. SUBBA RAO, THE ACCREDITED REPRESENTATIVE OF HE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED., DO HEREBY STATE HAT THE FACTS STATED ABOVE ARE TRUE TO THE BEST OF MY KNOWLEDG NFORMATION AND BELIEF.

(Sd) K. V. Subba Rao,

ACCREDITED REPRESENTATIVE
THE UDIPI ELECTRIC SUPPLY COR

ated at Madras this 15th day of June 1955.

17/6

2 Copy/

T. N. Ramachandran
2/6/
Chief Accoun

IN THE SUPREME COURT OF FIJI

IN THE MATTER OF

Between:

Sri K.V. Subba Rao, the Accredited Representative of the High Electric Supply Corporation Limited. Claimant

and

The State of Fiji. Respondent

CIVIL SECRETARY TO GOVERNMENT
2 JUN 1953
PUBLIC WORKS DEPARTMENT
57242

Counter-statement filed on behalf of the Respondent.

The address for service of all notices and processes on the Respondent is that of their Counsel, the Government Solicitor, Fiji, at the Government Solicitor's Chambers, High Court Buildings, Fiji.

2. The Respondent begs to file the following counter-statement in answer to the claim statement filed by the Claimant.

3. It is true that the Respondent compulsorily acquired with effect from 1-6-1951, the electric supply undertaking of the High Electric Supply Corporation Limited. It is however not true that the Fiji Electricity Supply Undertakings (Acquisition) Act, 1949 under which the compulsory acquisition was made is ultra vire the powers of the State of Fiji and of the Local Legislature. The particular sections (excepting section 6(b) thereof) of this Act which apply to the acquisition of undertakings owned by private companies of the type of the High Electric Supply Corporation Limited were declared not to be ultra vires the powers of the State of Fiji and of the Local Legislature in the judgment of the High Court of Fiji in Civil Miscellaneous Petitions No.975 and 4697 of 1951.

4. The question in paragraph 3 of the Claimant's statement that Section 111 of 1971 and the provisions of this Act are inconsistent has been made. It was when the power of the Minister of Labour and of the Local Authorities to pay fees and allowances to a witness at an inquiry was challenged. The principal object of the Claimant to which the Court is the validity of the Section 111 of 1971 in so far as it is necessary. I do consider. It is contended that the Claimant has the right of a witness by a Minister acting under section 111 of Labour Act 1971 to the exclusion of the Claimant of the validity of the provisions of the Act which this is inconsistent in that regard with this Act. The Claimant cannot therefore be allowed to have the benefit of exemption claimed by the Claimant in a manner; before the Authorities and for reasons in a civil case to make the same as to the validity of the Act in a separate proceeding. The Claimant having submitted himself to the jurisdiction cannot now the Act of the Tribunal. In fact, having regard the aim of the provisions is not the main aim of the Act. This is to secure the validity of the Act before the Local Authorities power to determine the question of the

The Respondent does not the Claimant is not entitled to all of my above reasons stated by me. The Respondent pray the Claimant to refer back of all the objections contained in the Petition.

n paragraph 6 of the Claimant's statem
the Claimant has made certain general remarks as
the compensation is inadequate, but without any r
to the terms of compensation as per the Madras El
Supply Undertakings (Acquisition) Act, 1949. Any
considerations than those prescribed under that A
quite irrelevant to the issue and are inapplicabl
should not have been raised. Since however they
raised, the following counter statements have to

(b) The Udipi Electric Supply Corporation Lim
has to be considered not on the basis of the pres
market value of the various assets it contains, b
a going concern with statutory obligations to con
to supply electricity by the purchaser. From thi
point, the sole criterion of the value payable is
whether it was financially a sound undertaking, b
every year a substantial profit or a losing conce
it was a losing concern then, instead of the purc
being better off for taking over the undertaking
book value let alone the market value of certain
he has to face further loss year after year, on a
of which the purchase value may have to be very l

(c) As admitted by the Claimant himself, the u
was working at a loss throughout the war period a
after the war years. In the meantime the supply
become very unsatisfactory and there was continuo
clamour from the public for improvement of supply
its expansion. In view of the very poor financia
for very many years the company was not able to r
further capital necessary for improving the exist

ngines and for installing more engines and it is v
lefinite that he would not have been able to do eit
of these. The supply would therefore have become w
nd worse, with the increasing operating expenses a
herefore mounting losses.

(d) This undertaking was taken over under the
rogramme of nationalisation in which the worst unde
akings were included for the earliest period, both
o help the public so that Government may arrange fo
etter supply and also to help the companies from ge
nto worse and worse financial ness. From the view
f a going concern therefore the price paid was very
ndeed; since no other offer for purchase would have
ecome available for this losing concern.

(e) The Claimant had the option of accepting for
ompensation the basis 'B' of the Madras Electricity
ndertakings (Acquisition) Act, 1949 which is based
arket value of the shares. The Claimant chose basi
nstead, since it was more favourable to him, provin
hereby that the compensation under this basis was m
rofitable than the share value in the market.

6. Disallowance on V.H. Engine Set - Rs.5,991--1--

(a) The Udipi Electric Supply Undertaking had one
) K.W. and two 110 K.W. diesel engine sets of which
10 K.W. set was sold away sometime in 1941 and late
ne other small set was also removed. At the time o
cquisition the power house contained one 110 K.W. s
nd one 48 H.P. Blackstone Engine set.

(b) The price to be paid for the engines is to be
ecided by the figures contained in the statutory accounts

which he has been submitting to th
after year as per the provisions of
Indian Electricity Act. If the licensee now unless
statements which are in variance with the statement
contained in the statutory annual accounts and also
statements made by his Auditors in explanation th
at the time of submission of those accounts, it is
better that should prevail and not that the Claimant
may say now. It would be statutorily wrong to stan
on new lines for which the necessary evidence would
very inconclusive, at this distant date.

(c) The statutory accounts for the year 1938-39
an item of Rs.60,112/- as a liability under the head
"Current and Ordinary". Form No.2 which is part of
statutory accounts, shows an installed capacity of
960 K.W. for the year.

(d) An inspection by the Electrical Inspectorate
on 14-12-1939 and 10 showed all the three sets inst
such inspections invariably include running of the
for testing.

(e) In letter No.M.639/39 dated 21-5-39, the Mil
Electric Supply Corporation Limited wrote to the
Electrical Inspector as follows:-

> "The Corporation completed all its erection
> works and switched on power on the 30th
> September 1939. The Power House consists
> of two sets, each of 110 K.W. and one set
> of 42 K.W."

(f) Again on inspection by the Electrical Inspec
on 21-3-40 showed all the three sets working. Also
Capital Balance Sheet for 1939-40 shows Rs.82,469/-

[illegible]

(c) [illegible]

> [illegible]

[illegible]

(d) [illegible]

possession of the company in that month itself, as reported by the auditors. Therefore the statement of the Claimant that one of the engines came to his possession only in August 1940 is absolutely incorrect.

(i) The Claimant has not advanced any proof that the set that was taken over by the Military Authorities was the one that was commissioned in January 1939. It is natural to suppose that the Military Authorities would have taken over the newer rather than the older set, i.e., the set which came into use in June 1939. Since therefore the one big set was in possession of the licensee from January 1939, depreciation on the same has to be calculated from the accounting year 1938-39. The Depreciation Act prescribes that the depreciation for an asset brought into use in any accounting year has to be for 6 months for that year. Therefore depreciation has been correctly calculated by the Respondent.

(j) The Claimant has also tried to raise the point that though he had the big set, he was not running it. In any power house where more than one engine set is available it is most unusual to keep the same set running all the time, day after day. This is physically impossible also with diesel engine sets. In any oil engine power house, it is also the normal practice to keep all the available engines running in rotation and in a trim condition. It is never the practice to keep any engine set even running for trial purposes periodically, for years together. The Claimant may for his convenience make any sort of statement now but so long as it is quite contrary to the normal practice, it should not be accepted. There is also no provision in the

place. This engine was purchased from Messrs. Perkins & Sons, London for £2,400/-. This also would indicate that the engine was having not over half its life.

(b) As for the claim of the Contract that the set has been working unsatisfactorily ever thereafter, the following extract is taken from the Chief Electrical Engineer's Inspection Report dated 31-12-45:--

"The Ricardstone engine ran on 17th night after 11 P.M. and early morning on 18th. The light was dim from 11 P.M. to about 11-30 P.M. but I could not check up the voltage readings due to non-entry of same in the log sheet for that evening from 6 P.M. till 11-30 P.M. At 11-30 P.M. the load was noted as 25 K.W. I am afraid this engine is not capable of taking over 25 K.W. The voltage must have been kept lower than the permissible limits from 11 P.M. when it was started.

This engine runs unsteadily and the lights flicker about 100 times a minute in a manner very trying to the eyes. The voltage fluctuations are also very pronounced.

It is operational that during afternoons when this engine runs, due to inability to take properly the industrial loads, the voltage fluctuates so greatly that the local Oldham company has given us irritating notices about on week days. I received complaints also of the very unsatisfactory radio reception when this engine is running.

This engine is not being paralleled with the Lidgett set since it runs too unsteadily to allow of same and so there is a brief interruption to supply when shifting load from one engine to the other. There is no synchronising equipment either.

For all the above reasons I do not consider this set is suited for power house use and it therefore requires to be spared early. I do not consider it as good enough even as a standby plant, due to its unsteady running".

This report also confirms that the set has been working satisfactorily but unsatisfactory answer during the past many years. It was being run because there was no alternative. The fuel consumption of this engine also

(c) In the case of a old Delhi Municipal area, the rent of the entire house shall be 70 per cent of the total rent in the case of the premises in the possession of the tenant on 1st day of the month of [illegible]. The total rent of [illegible] shall be [illegible]. The Rent Controller may, [illegible] the rent of such premises [illegible] to the landlord, [illegible] the rent of [illegible] in the manner [illegible] of the rent, the Rent Controller may [illegible] the rent [illegible] of the premises [illegible] of the rent [illegible] of the premises [illegible] of the rent [illegible] of the premises [illegible] of

Officer specified that the condition of engine and alternator was very unsatisfactory and that it could hardly take 60 per cent of its normal load. Crossley engine is a very good make and from the condition of the engine in 1965, as revealed at the time of inspection, it can only be inferred that the engine had run more than half its life, even at that time itself. The Claimant's contention that the cost of the alternator is 50 per cent of the cost of the set is entirely incorrect. The alternator is very much cheaper than the engine, since the latter is a far more complicated mechanism.

(b) Though no data is available to substantiate the Claimant's statement that the generator was a new one, the generator used with the engine and if one has to be discarded due to improper demand for security, the other one also becomes useless. As such engine sets are treated as single units for purposes of calculating depreciation. Since the Act specifies a useful life of 15 years for a combined set and this is a second hand set of which the major portion, namely, the engine, is very old, the balance life has to be decided on the basis of the engine and not of the alternator only. There is no provision in the Legislation Act for calculating depreciation on the basis of only the alternator. Though the engine has been running from 1965 to 1952, it has to be noted that the fuel oil consumption at the time of taking over was very excessive, showing that the engine had long passed the stage of economic running on which alone the useful life has to be based. The rate of 12% for depreciation therefore is more than just.

contd.

[illegible]

[illegible]

[illegible]

accepts that surplus stores can arise by issue for capital works (otherwise of the retrieval parts. But he states that surplus stores can arise in two other ways also - (i) By debiting to revenue expenses sufficient account thereof. This would account to false book-keeping methods. It will also lead to loss and pilferage of the issued items since they cannot later be checked. If such a practice was prevailing for revenue purposes, it would have been prevalent for capital works also and the book value figures, on which expenditure has been based would have been too high and (b) By not crediting cost of retrieval materials in the operation account. If this was the practice, the practice would have been faulting for capital works also and the acceptance of book values for these, as had to be done, would lead to excessive expenditure. The items original for operation are issued in small quantities frequently and hardly ever come back except as used and taken out once, while those for capital works are for a longer duration. The element of double payment of depreciation for these stores would therefore be far greater under the Capital Account and negligible under the Revenue Account.

(b) Values for these used stores have to be fixed with reference to section 5(1)(iii) of the Acquisition Act. The prices fixed by the Vesting Officer for used stores after actual inspection of these and based on their condition, were intimated to the Claimant for his concurrence (at pages 5a to 5a of Claimant's letter No.151-C/51-160 dated 23-8-52. The Claimant has not agreed for the same. As the Act contemplates the fixation of the value of used stores by actual assessment

(c) [illegible]

this transformer was in use for 9 months in 1948-49 yet could not agree that any depreciation should be on this count. This contention of the Claimant is untenable, as the asset has to be depreciated with r to the period of its use. Also, when once used, the justification for claiming depreciation for all the of the period which however has not been done.

(f) The Checking Officer of the Department reported that the spare parts of the engine sets are none use and were quite worn out. So to claim their full bo for obsolescence will not be correct. The value fi the Checking Officer of the Department with reference the condition of the spare parts at the time of tak over was the only feasible course.

11. Relief: A sum of Rs.675-9-0 representing relief of 15% on the additional claim of Rs.4,503-12 representing the cost of steam and spare parts has claimed by the Claimant. As per section 5(3)(ix)(a of the Legislation Act, a relief at the rate of 5 on the book value of all assets including spare par handed over to the Government is admissible but not as claimed by the Claimant. However on the claim o Claimant for Rs.4,503-12-6 for steam and spare par refund for the reasons stated in the foregoing para the claim of relief on these at 5 thereon is also tenable.

12. Para 11 likely may be subject of re-audit objection Rs.225-0-0.

contd.

(a) [illegible] ... ...

(b) [illegible] ... ...

(c) [illegible] ... ...

[illegible]

[illegible] 15 [illegible]

[illegible]

(a) [illegible]

(b) That the Claimant be directed to pay to the Respondent the cost of these proceedings.

10. The Respondent hereby requests the leave of the Learned Arbitrator to file a supplementary counter statement, if it becomes necessary to do so.

CHIEF ELECTRICAL INSPECTOR TO GOVERNMENT.

I, K.V. Krishna, Chief Electrical Inspector to the Government of Madras, do hereby state that the facts stated above are true to the best of my knowledge, information and belief.

CHIEF ELECTRICAL INSPECTOR TO GOVERNMENT.

Dated at Madras this 22nd day of June 1950.

ELECTRICITY DEPARTMENT

C3951

From

Sri K.V. Karantha, M.A., M.I.E.,
Chief Electrical Inspector
to Government, 157, Mount Road,
M a d r a s, 2.

To

The Secretary to Government,
Public Works Department,
Fort St. George, Madras.

No.151 N/51- 210 dated 2 -7- '53

Sir,

Sub:- Udipi company electrical undertaking - Payment of final compensation - Arbitration.

Ref:- This office letter No.151 N/51 - 207 dated 22-6-'53 to the Government Pleader with copy to Government.

With reference to the counter statement filed by me the Accredited Representative of M/s. The Udipi Electric Supply Corporation Ltd. has sent a reply statement along with his letter dated 29-6-'53 to the arbitrator (Copy enclosed). As per the Arbitrator's letter dated 5-6-'53, only the Accredited Representative was asked to file his replies to the counter statement filed by the Respondent and therefore I am not filing any reply to the reply statement filed by the Accredited Representative. This will be replied at the time of argument before the Arbitrator.

Yours faithfully,

Chief Electrical Inspector to Government.

Copy to:

The Chief Operation Engineer (South),
157, Mount Road, Madras with enclosur

COPY of letter dated 29-6-'53 from Sri K.V. Subba Rao, Accredited Representative of M/s. Udipi Electric Supply Corporation Ltd., 21, Sunkuramay Chetty Street, Madras 1 to the Arbitrator, 157, Mount Road, Madras.

I am sending you enclosed herewith my reply statement to the counter-statement filed by the Respondent herein. I am also serving copies thereof on the Government Pleader and the Chief Electrical Inspector to Government.

(True copy)

T. N. Lakshmanan 3/7/53

. CHIEF ACCOUNTANT.

BEFORE THE ARBITRATOR, SRI K. CHAKRAVARTHI, RETIRED DISTRICT JUDGE MADRAS.

Between

Sri K.V. Subba Rao, the Accedited Representative of the Udipi Electric Supply Corpn., Ltd. CLAIMAN

And:

The State of Madras .. RESPONDEN

REPLY STATEMENT OF THE CLAIMANT TO THE COUNTER-STATEMENT OF THE RESPONDENT.

1. The Claimant begs to file the following Reply Statement i answer to the counter-statement filed by the Respondent. ~~11 33-49 ante~~

2. With reference to paragraphs 3 and 4 of the counter-state ment, the Claimant is advised to state that the question whether the Claimant, he having sought the aid of provisions in the Act relating to arbitration, is entitled to question the validity of the Act itself in separate proceedings, cannot and need not be decided in these proceedings and that would be a matter at issue only in proceedings, if any, taken by the Claimant, questioning th validity of the Act. ~~11 33-34~~ ~~11 35-36 ante~~

3. Paragraph 5 of the counter-statement contains general observations which are not quite relevant to the point in issue in these arbitration proceedings, that is, whether the Respondent was justified in law or in equity in disallowing the items of compensa tion detailed by the Claimant in his statement of claim and the Claimant is advised that it is unnecessary to traverse them in thi counter-statement. If necessary, the Claimant will make his sub- missions to the said general observations at the time of his addressing arguments to the Learned Arbitrator. The Claimant, however, desires to state here and now one fact, that is, that if the Claimant was permitted to sell the various items of machine

and other assets of the Company individually and separatel
open market, he would realise at least twice as much as th
dent has agreed to pay.

4. V.M. ENGINE SET: With reference to para 6 of the
counter-statement, the Claimant makes the following submis

(a) While submitting the compensation claim statement, on
figures contained in the statutory accounts of the li
were taken. The Claimant did not furnish figures wh
at variance with those contained in the statutory ann
accounts.

(b) It is true that a sum of Rs.60,112/- has been shown a
liability under the head "Plant & Machinery" in the S
accounts for the year 1938-39. This proves that the
lity in respect of the purchase of the sets still sub

(c) The Claimant denies the charge that he is setting up
NE case. The Claimant has fully set out the facts re
to the said V.M. Engine set in paragraph 7 of his state
of claim and it is unnecessary to reiterate the same.
statement made by the Claimant that the V.M. Engine set
question was put into commission only in or about Octob
1941 is true and is not at all at variance with the sta
statements sent previously to the Electrical Inspector
There is neither purpose nor force in inviting attentic
statements touching "installation" of the engine sets i
ding the engine set in question. The Claiment himself
in para 7 of his claim statement stated as follows:-
big V.M. sets and one small set were erected at Udipi...
But the main point in issue, that is, when was the V.M.
set in question really and actually put into commissio
being clouded and the Claimant submits that the Learne
Arbitrator will be pleased not to permit matters not r
vant to that issue to be urged.
It may be that in the statutory report for the year 19
the capacity of the engines installed is given as 260

ut mere installation of all the engines does not at all ean that they were all put into commission.

Again, it is no doubt true that the Power House was witched on, on 30-9-1938. But, that does not mean or even resuppose that all the engines that were installed were put nto commission. As a matter of fact, the Power House at Ud as switched on, on 30-9-1938 only with the small 42 K.W. se

The audited balance-sheet for the year 1939-40 show otal amount of Rs.84,445-0-4 under "Plant & Machinery". T um of Rs.82,460-3-4 is the total cost of Plant & Machinery t 31-3-1939. A review of the balance-sheets of the Company t 31st March of the years 1939, 1940, and 1941 will show the ollowing figures under creditors for goods supplied or reditors for construction of Plant & Machinery.

31-3-1939	...	Rs.60,112- 6- 0
31-3-1940	...	Rs. 6,014- 8- 8
31-3-1941	...	Rs.10,509- 7- 5

The above figures show that though the total cost o ngines has not been shown under Capital Accounts, the liabi espect of the said engines remained undischarged.

It is also fact that permission was given in G.O. o. Ms.1387 dated 3-6-1939 for raising a loan and the loan w lso raised during the year. But it is also a fact support vidence that the liability was discharged in full only in J 940 and the V.M. Engine set in question came under the cont f the Company only in August 1940 and as already explained etail in the Statement of Claim filed by the Claimant, the ngine set was actually put into commission only in October 1939.

With reference to sub-para (i) of para 6 of the ounter-statement of the Respondent, the Claimant assets tha he set that was handed over to the military authorities was he older set which was put into commission in January 1939. et was taken over by the military authorities on 17-10-1941

Only subsequent to that, the V.M. set in question was put into actual commission. The Claimant therefore reiterates that dep on this set should have been calculated only from 17-10- and not from 1939 as wrongly done by the Respondent.

6. With reference to sub-para -j- of para 3 of th counter-statement, the Claimant submits that the presum the Respondent that the V.M. set in question was "avai is itself wrong and not in conformity with the facts of In any event, the Claimant does not admit the inviolabi the "practice" referred to by the Respondent as the met adopted by each power house depends upon various circum

The Claimant is unable to follow the implicati of the rest of the said sub-para -j-. The difference b the Claimant and the Respondent in regard to the V.M. s question is not in regard to the rate of depreciation t calculated, but to the period from which the depreciati be calculated. The Claimant submits that he will be a convince the Learned Arbitrator that the V.M. Engine se question was put into actual commission only in October in which case there could be no doubt that depreciation calculated from the said date, that is, October 1941.

7. BLACK ENGINE SET: With reference to paragra of the counter-statement, the Claimant submits that the pondent is merely seeking to cloud the issue. The po issue is whether the Respondent was justified in law a equity to fix the base of life of the engine set at 7½ and calculate depreciation at 12 per cent. The facts case are sufficient to show that the leasem of life by Respondent is not only wrong but also unjust. The Cl further submits that the remarks of the Chief Electric Inspector extracted from his Report dated 31-12-1945 not binding upon the Company. In any event, the Claim submits that, even assuming for the sake of argument t

stated by the Respondent is true, the lease of life of 7½ years fixed by the Respondent is very low and unfair.

8. CROSSLEY DIESEL SET: With reference to paragraph 8 of the counter-statements, the Claimant submits that the facts stated by him in his Statement of Claim are true and the Claimant is advised that it is unnecessary to reiterate the same.

As regards the alternator, the Claimant submits that he will be able to prove beyond any doubt from the files and books of account of the Company, which have all been handed over to the Respondent, that it was purchased new.

The Claimant reiterates his contention that in the case of a set where a new alternator is run by an used engine the percentage of the total cost between the engine and the alternator is generally fifty-fifty.

The Claimant refutes the allegation of the Respondent that if the engine for any reason has to be discarded, the alternator becomes useless. Another engine can be put in the place of the discarded engine and the whole thing becomes a complete unit.

The Claimant again reiterates his submission that the Respondent erred in fixing the life of the set at 7½ years, that the Respondent failed to take note of the fact that the alternator of the engine set in question was a brand new one and that the Respondent ought to have fixed the life at 15 years and calculated depreciation on that basis.

9. MAINS: The Claimant asserts and hopes to satisfy the Learned Arbitrator that .380 ft. of H.T. cable cannot be laid for Rs.500/- and 800 ft. of L.T. 4 core 500 volts grade 3 x .1 plus 1 x .06 paper insulated cable, with junction boxes and various joints, intended for giving service connections to houses, cannot be laid for Rs.400/-. The figure given by the Claimant in his Statement of Claim is fair and legitimate.

10. SPARES AND STORES: At this distance of time, it is not possible to definitely say how the excess in stores arose.

mains that excess stores have been physically handed over t
espondent. The value of the said excess stock of stores can
r any stretch of imagination be nil. The Respondent cannot
iat their value have already been debited to capital account
ie Claimant submits that he is only seeking to get the value
ie stores which the Respondent has physically taken and whic
ot form part of any of the other items. The inferences indu
i by the Respondent are baseless.

As regards the spare parts of the V.M. engine set, t
aimant submits that he has specifically stated in his state
claim that they, the said spare parts, were purchased new
me to time, that they were not used, that they were kept in
ores for use as and when they were required and that therefo
was entitled to get from the Respondent their book valu
ere is no justification or basis for the Respondent to arbi
arily treat them as used stores. The Claiment refused to a
luation given by the Respondent as the Respondent valued t
the arbitrary assumption that they were used stores, where
ie Claimant's case was that they were not used stores, but
re spares kept in stores for use.

As regards other items of stores the Claimant submit
iat the Respondent was not justified in revaluing them. The
idertaking has been taken over by the Respondent as a going
ncern and it is but just and fair that the Respondent shoul
y the book value of the said stores items. In any event,
ie Claimant submits that the values fixed by the Respondent
e arbitrary, low and unfair. The values should have been a
by mutual consent.

1. SOLATIUM: The Claimant is agreeable to accept a sola
the rate of 5 per cent on his additional claim under the h
Stores and Spare-parts."

2. The Claimant reiterates his claim under this head.
however willing to waive his claim for solatium thereon.

13. The Claimant does not admit any of the allegations of the Respondent not herein specifically admitted and in respect of all such allegations, the Claimant puts the Respondent to strict proof thereof.

14. The Claimant submits that the additional claim made by him in his statement of claim is just and proper, that the objections raised by the Respondent has no basis either in law or in equity and that the Learned Arbitrator be pleased to reject the objections of the Respondent and allow the Claim of the Claimant.

Sd. K.V. Subb Rao,

.....

ADVOCATE -
DITED REPRESEN
ATIVE.

ACCREDITED REPRESENTATIVE,
THE UDIPI ELECTRIC SUPPLY CORP. LTD.

I, K.V. SUBBA RAO, THE ACCREDITED REPRESENTATIVE OF THE UDIPI ELECTRIC SUPPLY CORPORATION LIMITED, DO HEREBY STATE THE FACTS STATED ABOVE ARE TRUE TO THE BEST OF MY KNOWLEDGE INFORMATION AND BELIEF.

Sd. K.V. Subba Rao,

ACCREDITED REPRESENTATIVE,
THE UDIPI ELECTRIC SUPPLY CORPN. LTD.

Dated at Madras this 29th day of June 1953.

(TRUE COPY)

C.N. Ramakrishnaman
3/7/53
CHIEF ACCOUNTANT.

SPECIAL.

ELECTRICITY DEPARTMENT.

From	To
Sri K.V.Karantha, M.A.,M.I.E., Chief Electrical Inspector to Government, 157, Mount Road, Madras 2.	The Chief Operation Engineer (South), 157, Mount Road, Madras.2.

No.151 N/51-213, dated 21-7-53.

Sir,

Sub: Udipi Company Electrical Undertaking - Taken over by Government - Payment of final compensation - Arbitration - Production of original records - Report of Chief Controller of Accounts.

In connection with the arbitration proceedings it was felt by me that the arbitrator might ask for certain original records relating to the Udipi electrical undertaking and therefore the Deputy Chief Accountant(Acquisition) Pykara Electricity System was addressed on 15-6-53 to furnish the relevant vouchers and records. The Chief Accountant, Pykara Electricity System, in his letter dated 20-6-53 sent some vouchers and stated that the cash book and other records are not traceable and if they are required for production before the arbitrator, he suggested that an adjournment to a suitable date might be applied for. It is nearly a month and the records are still awaited.

In the meantime the Chief Controller of Accounts in his letter No.2436 X/51-53-1, dated 16-7-53 (copy enclosed) has now stated that the Chief Accountant, Pykara Electricity System, has reported that the account books of the Udipi and Cochin electrical undertakings are not traceable and that he suspects some foul play. The Chief Controller of Accounts has also suggested that an adjournment upto 15-8-53 may be obtained, if it becomes necessary to produce them before the arbitrator before that date.

At this stage, it is not known how far these books will be useful and since the books could not be traced by a search from 20-6-53 to date, it is not also certain that there will be any further progress by taking an adjournment. Parties concerned and the arbitrator are likely to meet on the 25th instant to fix a date for commencing hearing. So time till the end of this month is available and it appears to me that no adjournment need be asked for in this connection. But, I shall be glad to know if you concur with me.

Yours faithfully,

Encl: 1.

Chief Electrical Inspector to Government.

gp/21.7.

Copy to the Secretary to Government, Public Works Department, Madras 9, with enclosure.

Copy to the Chief Controller of Accounts, Madras. Expeditious steps may be taken to send the records early.

Copy to the Superintending Engineer, Pykara Electricity System, Coimbatore.

Copy to the Assistant Engineer and Checking Officer, Government Electricity Department, Udipi.

Copy to the Deputy Chief Accountant (Acquisition), Pykara Electricity System, Coimbatore.

Copy of letter No.2436 /X/81/53-1 dated 16-7-'53 from the Chief Controller of Accounts, 157, Mount Road, Madras to the Chief Electrical Inspector to Government, Madras, 9.

Sub:- Udipi Electrical Undertaking - Final compensation - Dispute with accredited Representative - Arbitration books of accounts - Missing.

It has been reported to me by the Chief Accountant, Pykara Electricity System, that the account books of the Udipi and Cochin Electrical Undertakings were not traceable in the office and that he suspects some foul play. A viprous search is however being made to trace the missing ledgers and a further report is awaited from him on the position.

Since the account books of Udipi Undertaking are required by you in connexion with the Arbitration proceedings, I would request you to get an adjournment of the hearing at least upto 15-8-1953, if at all the case is posted for hearing earlier than that date and in case the books are required during the arbitration proceedings.

It has also been reported by the Chief Accountant, Pykara Electricity System, that he has written to you that the accounts books are being traced.

The lastest position will be intimated to you on receipt of a further detailed report from Chief Accountant, Pykara Electricity System.

(True copy)

pen/21.7.

C.V. Sanchuna
Chief Accountant. 21/7

21/7

Government Electricity Departme

From

The Chief Engineer for Electricity,
157, Mount Road, Madras-2.

To

The Secretary to Government,
Public Works Department,
Fort St. George, Madras-9.

No.1487-E/53-4, dated 30th July 1953.

Sir,

Sub: Electricity - Udipi Electrical Undertaki
Payment of compensation - Loss of record
Reported.

Ref: P.W. G.O. Ms. No.2334, dated 29.5.1953.

--x--

SECRETARY TO GOVERNMENT
3 AUG 1953
PUBLIC WORKS DEPARTMENT

In the G.O. cited the Government have referre the dispute with the Accredited Representative of th Udipi Electrical Undertaking for payment of additiona compensation to arbitration. It has now been report that the account books those of the Udipi Electrical Undertaking and of the Cochin Electrical Undertaking are not traceable and that vigorous search is being made and responsibility for the loss has also been ordered to be fixed on member or members responsible the loss. A further report on this will follow.

2. The points referred to arbitration relate to compensation in respect of the following items:-

a) V.M. Diesel Set.
b) Blackstone Engine set.
c) Crossley Engine set at Karkala
d) Mains.
e) Stores and spare parts
f) Prepaid expenses.
g) Solatium.

a) In regard to the V.M. Diesel Set, the contention of the Department is that the licensee's statutory accounts and the Depart ent's inspections reveal that the set was installed in 1938-39. It wo seem that the books of accounts may not be vital for t is question.

b) In regard to the Blackstone set, the point at dispute is about the rate of depreciation on the second-hand set.

c) The dispute in regard to the Crossley Engi set at Karkala is about the rate of depreciation.

d) The difference in regard to mains is about allocated value between mains on concrete supports and underground mains.

e) The amount involved under this item is Rs.4,503-12-6 made up as follows:-

Value of excess Stores. ...	Rs. 1,500	0 0
Difference in value of used stores.	Rs. 1,061	13 0
Short-handing over. ...	75	10 7
Stores in Larkala not in good condition.	57	12 7
Difference in value of an used as L.V.A. Transformer.	51	14 4
Difference in value of spare parts of V.L. Engine set.	1,756	10 0
	Rs. 4,503	12 6

Even in respect of these items, the books of account may not be necessary for decision.

B) Prepaid expenses:- This question has only to be decided with reference to the provisions of the Acquisition Act.

3 In the circumstances explained above, it appears that the loss of books of accounts may not vitally affect the interests of Government in the pending arbitration. The Chief Electrical Inspector to Government is also of the view that the records are not of absolute importance in connection with the arbitrat

(K) [illegible] Subramanian
FOR CHIEF ENGINEER FOR ELECTRICITY.

IMMEDIATE.

ELECTRICITY DEPARTMENT.

From
Sri K.V.Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government,
157, Mount Road, Madras 2.

To
The Secretary to Govern-
ment,
Public Works Department,
Fort St.George, Madras 9

ASSISTANT SECRETARY TO GOVERNMENT
29 JUL 1953
PUBLIC WORKS DEPARTMENT

No.151 N/51-216, dated 29-7-53.

Sir,

Sub: Udipi, Srikakulam and Salur-Parvatipur electrical undertaking - Payment of final compensation - Arbitration - Programme intimated.

Yesterday evening at about 5.30 P.M. the Arbitrator, the Accredited Representative and his Counsel, the Government Pleader and myself met at No.157, Mount Road, Madras 2 at the Arbitrator's room for a few minutes and decided on the programme for arbitration work as follows:-

The arbitration proceedings will commence for argument at 2.30 P.M. on 1-8-1953 at the Arbitrator's room and the arguments will be continued on 2-8-1953 (Sunday) also from 11 A.M. Based on the arguments it will be decided as to who are the witnesses on both sides to be examined and what records are to be produced by both the parties.

Items of dispute which are common to all the three undertakings will be taken up for argument first and the others later. The Government Pleader will be present only when interpretation of the Act is to be argued.

D(2)
Yearns called for.
I we added to
file.

Yours faithfully,

Chief Electrical Inspector 29.7.53
to Government.

gp/29.7.53.

Copy to the Chief Operation Engineer (South), Madras 2.

Copy to the Chief Operation Engineer (North), Madras 2.

Copy to the Government Pleader, High Court Buildings, Madra

Copy to the Superintending Engineer, Pykara Electricity System, Coimbatore.

Copy to the Superintending Engineer, Andhra Power System, Vijayavada.

Copy to the Chief Controller of Accounts, Madras 2.

Copy to the Assistant Engineer and Checking Officer, Government Electricity Department, (1) Udipi, (2)Srikakul (3) Bobbili.

Copy to the Deputy Chief Accountant (Acquisition), (1)Pykar Electricity System, Coimbatore, (2) Andhra Power System

Public Works Department

MEMORANDUM NO. 60392 I/53-2, dated the 25th August 1953.

Sub: Electricity - Salur-Parvatipur Electrical Undertaking - Acquisition by Government - Payment of Compensation - Arbi tion.

Ref: From the Chief Electrical Inspector to Government, No.60 N/51-170, dated 14th July 1953.

The attention of the Chief Electrical Inspector to Gover is invited to the reference cited (copy endorsed to the Governme Pleader, Madras) and he is requested to state whether any reply been received from the Government Pleader, Madras, in the matter and if so, to send a copy of it to the Government.

2. The attention of the Chief Electrical Inspector to Government is also invited to his letter No.151 N/51-216, dated 29th July 1953 and he is requested to state the present stage of arbitration proceedings connected with the compensation payable the Salur-Parvatipur, Srikakulam and Udipi electrical undertakin

T. P. Kothandaraman,
Assistant Secretary to Govt.

To the Chief Electrical Inspector to Government.

Forwarded / By Order.

Superintendent

kmdv/26-8.

Extract from the letter No.60 E/51-174 dated 2-9-19[illegible] from the Chief Electrical Inspector to Government to the Secretary to Government, Public Works Department

--:--

Sub: Electricity - Salur-Parvatipur, Udipi and Srikakulam electrical undertakings - Taken over by Government - Payment of compensation - Arbitration - Information - Furnished.

Ref: Government (Public Works Department) Memo No. 60392-I/53-2 dated 25-8-1953.

--:--

x x x x

2. The stage of the arbitration proceedings in respect of the 3 electrical undertakings is briefly indicated below:--

(1) Udipi:-

All the items of disputes have been decided upon and the details in regard to the various items settled will be furnished shortly after the next sitting of the arbitrator, which is scheduled to take place on 5-9-1953.

(2) Srikakulam:-

All the items of dispute except

(i) excess stores (Rs.2,232-14-0)

(ii) spares of Imperial Keighley Engine (Rs.

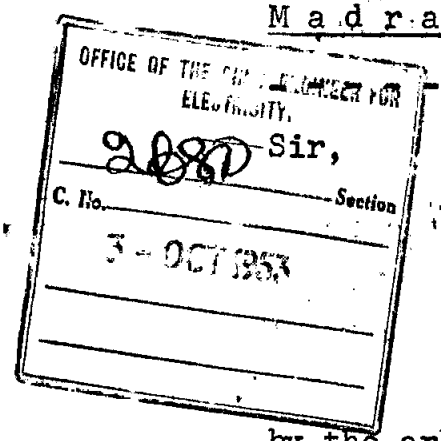
(iii) amounts due from consumers (Rs.3,651-7

have been tentatively decided upon.

Tel:"Electricity". Electricity Department.

From
Sri K.V.Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government, 157, Mount Road,
M a d r a s-2.

To The Secretary to Governme
Public Works Department, For
St. George, Madras, through
the Chief Operation Engineer
(South), 157, Mount Road,
M a d r a s-2.



151-N/51-227 dated 30-9-1953.

Sub: Udipi Electrical Undertaking - Taken over by Government - Payment of compensation - Arbitration - Award of arbitrator - Forwarded.

Ref: My letter No.151-N/51-225 dated 16-9-53.

***

I forward herewith a copy of the award passed by the arbitrator (Sri K. Chakravarthi) in the matter of the arbitration regarding compensation payable to the Udipi electrical undertaking, which the arbitrator gave me yesterday

2. As the decision of the arbitrator relating to the several disputed items included in the award have been agreed to by the Accredited Representative and by me, on behalf of Government - in consultation with the Chief Operatio Engineers - I feel, that if Government agree with the award, then necessary orders sanctioning the payment of the additiona compensation as per the award may be passed early, without observing the formality of obtaining the High Court's decree on the award. This course will save Government the interest

e additional compensation amount between now and the of payment after the decree is obtained.

If considered necessary, the Accredited Representative of the Udipi electrical undertaking may be addressed to intimate his acceptance of the award to Government direct.

Yours faithfully,

Chief Electrical Inspector to Government.

Mvr:/3079/53.

Encl:1 copy of the award.

Copy to the Chief Operation Engineer (South), 157, Mount Road, Madras-2 with enclosures

In the matter of the arbitration regarding compensation payable to the Udipi Electric Supply Corporation compulsor acquired by Government under the provisions of the Madras Electricity Supply Undertakings (Acquisition) Act, 1949 (Madras Act XLIII of 1949).

Between:

Sri K.V. Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited.

And:

The State of Madras.

Award passed by the Arbitrator (Sri K. Chakravarti).

In regard to the above dispute I was appointed Arbitrator by the State of Madras under Section 14 of Act XLIII of 1949 by order of Government in G.O.No.2334 dated 29-5-1953.

Soon after my appointment, I gave notice of same to the parties and requested them to file their claims and counter statements. The Accredited Representative of the Udipi Electric Supply Corporation Ltd., filed his claim on the 15th of June 1953. The Government (Respondent) fil their counter on 23-6-53 and the Claimant filed his reply on 29-6-53. The aforesaid statements are enclosed along w my award.

2 To discuss the several items of claim, there were several sittings viz., on 28-7-53, 1-8-53, 2-8-53, 25-8-53 and 5-9-53. The claims and the objections were discussed and I am glad to say that as per suggestions made by me to the parties the Accredited Representative and the Chief Electrical Inspector to Government in consultation with some high ranking officials of the Electricity Department on behalf of the Respondent (Government) accepted all my suggestions and parties filed joint memos and the original thereof are also enclosed herewith.

3 I shall now give my award in respect of the several items of claim put forward by the Accredited Representative as per the aforesaid joint memos.

The several items of claim are the following:-

Particulars of claim.	Amount now claimed.	Solatium @ 15%	Total.
	Rs. A. P.	Rs. A. P.	Rs. A.
1. V.M. Diesel set.	5,991 1 0	898 12 0	6,889 13
2. Blackstone Engine set.	6,390 1 4	958 8 0	7,348 9
3. Crossley Diesel set @ Karkala Power House.	4,726 4 0	708 15 0	5,435 3
4. Mains account.	701 6 0	105 3 0	806 9
5. Stores and spare parts.	4,503 12 6	675 9 3	5,179 5
6. Prepaid expenses.	272 9 6	40 14 5	313 7
Total.	22,585 2 4	3,387 13 8	25,973 0

4 Item No.1 - V.M. Diesel set - Claim Rs.5,991--1--0 plus Rs.898-12--0 (Solatium) total Rs.6,889-13--0:

In view of the fact that the set sold to the

Military Department was found to be the one that was erected later and the set delivered to the Government was found to be the one erected earlier, the Claimant withdrew his claim for this amount (vide joint memo No.2). No amount will therefore be payable to the Claimant under this item.

Item 2 - Blackstone engine set - Amount claimed Rs.6,390--1--4 plus Rs.958--8--0 (solatium) total Rs.7,34

Depreciation on this set was calculated by the Governme at 12% per annum on the ground that it was a second hand set at the time of its purchase. But it was subsequently agreed between the parties that depreciation at the rate of 9% per annum alone should be deducted and that the Claimant sho be given such amount as may be found due to him on such calculation (vide joint memo No.1). Calculating on the aforesaid basis it is found (vide memo of calculation attac herewith) that from out of a book value of Rs.16,815-13--8 a of Rs.11,602-15--1 alone has to be deducted thus giving a sum of Rs.5,212-14--7 as the amount payable to the company for th engine. As per the calculation adopted till now, a sum of Rs.1,681--9--4 was allowed as compensation and so a further s of Rs.3,531--5--3 will now have to be given to the Accredited Representative for this set and the said amount is awarded.

Item 3 - Crossley diesel set at Kerkala Power House - Amount claimed Rs.4,726--4--0 plus Rs.708-15--0 (solati total Rs.5,435--3--0:-

This set comprises of an engine and an alternator. Both the items were treated as one unit by the Respondent for purposes of calculating the depreciation. It was, howeve contended by the Claimant that depreciation at a lower rate should be worked out for the engine than the one adopted by Government and that so far as the alternator is concerned, in as much as it was a brand new one at the time of its purchase, a still lower rate of depreciation alone should be taken for fixing its value on the date of its acquisition. The suggestions made by me were accepted by the parties (vide memo No.1). It was agreed that so far as the alternat is concerned a sum of Rs.1,250/- only should be deducted as and for depreciation in the book value of the alternator. As regards the engine portion of this unit, it was agreed that 9% depreciation per year should be allowed as in the case of the Blackstone engine set (item No.2). Calculating depreciation on the above basis, it is seen - vide joint memo - that a sum of Rs.2,613--1--9 will be payable to the Claimant and I award the same in respect of the same.

Item 4 - Mains account - Amount of claim Rs.701--6--0 plus Rs.105--3--0 (solatium) totalling Rs.806--9--0:

The mains taken over by Government were classified under three heads viz:--

1. Mains on concrete supports.
2. Mains on wooden supports and
3. Underground cable mains.

The contention of the Accredited Representative was that the value given to the underground cable mains was very low and that it should be raised and a proportionate amount deducted from out of the value of mains on concrete supports. It may be mentioned here that the total value

fixed for all the three classes of mains put together was not disputed by the Claimant. The suggestions made by me were accepted and it was agreed between the parties that the value of the mains on concrete supports is to be taken as Rs.86,745-14--5 and that the value of the underground cable mains should be taken as Rs.3,000/- and depreciation calculated on the same. The value of mains on wooden supports was not disputed and remains as before. Depreciat were calculated at the rate of 3.6% per year for mains on concrete supports and at the rate of 2.25% per year for underground mains as per item C(i) of Schedule II to the Acquisition Act, 1949. The memo of calculation is appended hereto and as per the aforesaid calculation the amount payable to the Claimant would be Rs.359--1--1 for this item I award the same to the Claimant.

8 Item 5 - Stores and spare parts - Amount claimed Rs.4,503-12--6 plus Rs.675--9--3 (Solatium) totalling Rs.5,179--5--9:-

This claim comprises of 3 sub items as under:--

(a) Rs.1,500/- being the value of excess stores.
(b) Rs.1,756-10--0 being the difference in the value of spare parts of the V.M. engines and
(c) Rs.1,247--2--6 being the difference in the value of used stores.

In regard to sub items (b) and (c) as per my suggesti it was agreed between the parties that the Claimant should paid a sum of Rs.1,000/- in full satisfaction (vide joint memo No.1). As regards item (a) it was agreed that the Claimant should be paid a sum of Rs.300/- (vide joint memo N I accordingly pass an award for the payment of Rs.1,300/- to the Claimant under this item.

9 Item 6 - Prepaid expenses - Amount claimed Rs.272--9-- plus Rs.40-14--5 (solatium) totalling Rs.313--7-11:-

The Claimant has withdrawn his claim in respect of th item and so no amount will be payable to him under this hea

10 The amounts payable to the Claimant will therefore be as under:--

Item No.	Amount.
1.	Nil.
2.	Rs. 3,531 5 3
3.	Rs. 2,613 1 9
4.	Rs. 359 1 1
5.	Rs. 1,300 0 0
6.	Nil.
Total. ...	Rs. 7,803 8 1

On the aforesaid amount a solatium of 15% i.e., Rs.975--8--5 is payable on items 2,3 and 4 and a solatium of 5% i.e. Rs.65--0--0 is payable on item 5. Therefore a total solatium of Rs.1,040--8--5 will also be payable to the Claimant.

I accordingly pass on award and order that the Respondent do pay the Claimant the sum of Rs.8,844--0--6.

The aforesaid amount will carry interest at 3% from

1-10-51 (date of compulsory acquisition being 1-6-51) as per section 12(5)(c) of the Act. As parties have succeed in part and failed in part so far as the costs of the arbitration proceedings till now are concerned, each part will bear his own costs. The costs to be incurred hereaf i.e. cost of stamp on award, costs in filing the award in Court and getting a decree thereon, executing it etc., wi be borne equally by both parties.

I fix my fee for the arbitration at Rs.1,250/- and th parties will pay this sum in equal moieties to me.

CHAKRAVARTHI
14-9-53.
ARBITRATOR.

List of papers filed along with the award:-

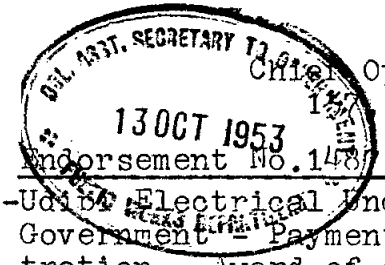
1. Claim of the Accredited Representative.
2. Counter filed by Government.
3. Reply filed by the Accredited Representativ
4. Joint memo No.1 dated 2-8-53.
5. Joint memo No.2 dated 5-9-53.
6. Calculation sheet regarding all the items.
7. Calculation sheet regarding Blackstone engine set.
8. Calculation sheet regarding Crossley set.
9. Calculation sheet regarding underground cables.
10. Calculation sheet regarding mains on concrete supports.
11. Working sheet regarding claim for mains.

The calculations have been accepted and signed by the Accredited Representative.

/True Copy/

C.N. Lakshmana
30/9/53
Chief Accountant

GOVERNMENT ELECTRICITY DEPARTMENT



Office of the
Chief Operation Engineer (Sout
1[illegible] Mount Road, Madras-2.

Endorsement No.1487 E/53-13, dated 8-10-53

Sub:-Udipi Electrical Undertaking - Taken over Government - Payment of compensation - Arbitration - Award of arbitrator.- Forwarded.

Ref:-Chief Electrical Inspector to Government's letter No.151 N/51-227, dated 30-9-1953.

Forwarded to the Secretary to Government, Public Works Department in continuation of this office Endt. No.1487 E/53-8, dated 22-9-1953.

2. The point raised by Chief Electrical Inspe to Government may be examined and orders issued

K.G.9-10-1953 for CHIEF OPERATION ENGINEER(SOUTH

To

The Secretary to Government,
Public Works Department, Madras-9.

(Orgl. is in Con. 899 33 J/53)

y of letter No.14076, dated 14th November 1953
m the Government Pleader, Madras to the Secretary
Government, Public Works Department.

:- Suits--High Court, Madras--O.P.Nos.348, 349 and 350 of 1953--In the matter of Indian Arbitration Act X of 1940 and in the matter of the Arbitration between K.V. Subbarao, the accredited Representative of the Salur Parvatipur Electricity Distribution Co., Ltd., and the State of Madras.

In the above matter I have been served with notice of the above petitions which I herewith enclose for your perusal and return. Please send your instructions and also return the petition

(TRUE COPY).

Copy or letter No.1A0 6, ...ated 11th ...ber 1[illegible]
...ice the Government le...er, letters to the ...ecret
to Government, Public Orks Department.

Case:- ...ui ...-High Court, ...r.C...o. ...os.349, 3[illegible] ...ne 3[illegible]
of 1953--In the matter of ...ular ...ibition ... ...
1946 ... in the matter of the ...rofit...tion b...
...ubbaro, the ... credited ne resent ...ve ...t the ...ar
...arati ... ...ectricity Distribution ...o., ...d., ...
...te or ... rs.

...n th... **above** matter I ...ve been served with ... notice of the
...quit... enclose for your perusal and re...

Electricity Department.

From	To
Sri K. V. Karantha, M.A.M.I.E.	The Secretary to Governme
Chief Electrical Inspector to	Public Works Department,
Government,157, Mount Road,	Fort St.George,
Madras - 2.	Madras - 9.

99328

18 NOV 1953

PUBLIC WORKS DEPARTMENT

No: 151 N/51-232 dated 16-11-53.

Sir,

Sub: **Electricity** - Udipi Electrical Undertaking Paymen compensation - Arbitration - Award of the arbitra
Ref: This officeletter No.151 N/51-227 dated 30-9-53 forwarded in Chief Operation Engineer (South)'s Endorsement No. 1487-E/53-13 dated 8-10-53.

-:-

I invite the attention of Government to this office letter under reference and request very early orders in the matter.

Yours faithfully,

Karantha 16.11.53

tsv.16.11.53. Chief Electrical Inspector to Govern

Transcript 87

Cont. I

PWD(I-2).

Memorandum No.5726o.I/53-5 D/ 2/12/53

Sub:- Electricity--Madras Electricit Supply Undertakings (Acquisiti Act, 1949--Udipi electrical undertaking--Payment of Compen sation--Award of Arbitrator--Filing in Court.

Ref:- From the Government Pleader, Madras, No.14076, d/14.11.53.

The Government Pleader, Madras is requested to represent to the Cour that the Government have no objection to a decree being passed in accordanc with the award of the Arbitrator in regard to the amount of additional compensation payable for the Udipi elect.undertaking. Instructions are being issued to the C.O.E.(S) to d- posit in the Court the amount due the Udipi Electric Supply Corpn. Ltd the decree as soon as the decree h been made by the Court in terms of the award. The petition relating to the Udipi elect. undertaking sent to Govt. with letter cited is also enclosed

2/12/53 Sec. to Govt. II 2.12.53 Asst/s/o.

Endt. No. 5726o.I/53-6 D/ 2/12/53

Copy forwarded to the C.E.I.C and the C.O.E.(S) with ref. to the No.151.M/51.227, dated 30.9.1953, No.1487.E/53.13, dated 8.10.1953 r pectively. As soon as the Court h passed the decree in terms of the Award of the Arbitrator in regard the amount of additional compensat

ay ble for the Udipi electrical undertaking, the C.O.E.(S) is requested to deposit in the court the said amount and send a report to the Government of having done so.

2.12.53

2/12/53

2.12.53

2/12/53

To the C.E.I.G.
To the C.O.E.(S).

(Sc.2)

URGENT

From
Sri K.V.Karantha, M.A.,M.I.E.,
Chief Electrical Inspector
to Government,
157, Mount Road, Madras 2.

To
The Secretary to Government,
Public Works Department,
Fort St.George, Madras 9.
Through the Chief Operation
Engineer (South), Madras 2.

OFFICE OF THE CHIEF ENGINEER FOR ELECTRICITY.
C. No. Section
2-DEC 1953

No.151 N/51-233, dated 30-11-53.

Sir,

Sub: Electricity - Udipi Electrical Undertaking - Payment of compensation - Award of the Arbitrator.

Ref: This office letter No.151 N/51-227, dated 30-9-53, and 151 N/51-232, dated 16-11-53.

In inviting Government's kind attention to my letters under reference, I would state that with reference to the copy of letter No.5346, dated 4-5-53 from the Government Pleader to the Secretary to Government (Home)Department, communicated in G.O.Ms.No.2113, Public Works, dated 13-5-53, the period of limitation of 90 days for filing the award in the matter of the dispute between Governme and the Udipi Electrical Undertaking in the court expires by 12-12-1953 (the award is dated 14-9-53).

In view of this, I request early orders as suggested in this office letter dated 30-9-53 cited above, if it is not the intentio of Government to formally obtain the High Court's decree on the award

Yours faithfully,
Karantha 1.12.53
Chief Electrical Inspector
to Government
and Acquisition Officer.

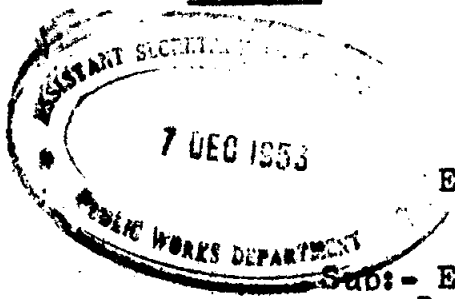
gp/30.11.

30/11

py to the Chief Operation Engineer (South), Madras 2.

SPECIAL

GOVERNMENT ELECTRICITY DEPARTMENT



Office of the Chief Operation Engineer (South), 157, Mount Road, Madras

Endt.No.1487E/53-20 dated 4-12-53.

Sub:- Electricity - Udipi Electrical Undertaking - Payment of compensation - Award of the Arbitrator.

05278

Ref:- C.E.I.G.'s letter No.151N/52-233 dated 30-11-53.

Forwarded to the Secretary to Government, Public Works Department, in continuation of this office Endt. 1487E/53-13 dated 8-10-53.

2. In the circumstances now stated by the Chief Electrical Inspector to Government, I request very early orders of Government.

FOR CHIEF OPERATION ENGINEER (SOUTH)

AG.4/12.

To the Secretary to Government, Public Works Department, Madras

UNCLASSIFIED

Office of the Chief Operation
Inspector (Scott), [illegible]

[illegible].: IAGTD/SC-20 dated 4-12-50.

[illegible] - Undesirable - Unfavorable Security Practices -
Payment of compensation - Arrest of the Distributor.

Ref:- C.I.D.'s letter No.IAI /SC-203 dated 10-1[illegible].

Forwarded to the Secretary to Government, Public
of a Department, in connection with the office visit.
[illegible]/11-13 dated 8-11-50.

2. In this connection may also by the Chief
Inspector, I inspector the Cover Mart, I request your
Tigers of Investment.

UNCLASSIFIED

Memo No. 57266 X/53-6

Sub: Elec. - Sadiqi elect. and tech. - Acquisition & Govt. - Payment of Compensation - Award of Arbitrator -

Ref: Boron lm C.E.I.G., No. 151 N/51-233 dt 30.1.53

Boron lm CoE(S), No. 1487 E/53-20 dt 4.2.53

The attention of lm C.E.I.G. and lm CoEC is invited to Govt. end No. 57266 D/53-6, P.W., dt 2.12.53

7/12/53

To
The C.E.I.G.
" CoE(S)

Department

From (Name) Sri.K.Veeraswami,
Designation Asst. Govt. Pleader,
Station 953 High Court, Madras.

Received Registered

To

The Secretary to Government
Public Works Department
Fort St. George, Madras

Enclosures:

No. 14940, dated 11th December 1953.

Sir,

SUB: Electricity - Madras Electric Supply undertakings (Acquisition) Act 1949 - Payment of additional compensation - award of Arbitrator - Filing of O.P.Nos 348 to 350 of 1953. High Court, Madras.

Ref: Public Works Memo.No.57266-I/53-5 dated 2..12..53.

The Award made by Sri.K.Charaverthi has been filed in Court through his advocate in time. The petitions stand adjd to 17--12--53.

K. Veeraswami

Asst.Government Pleader

Copy to.-
The Chief Operation Engineer,
157 Mount Road, Madras.

54) Letter no. 57266 7/53-7015/5

7) To

The Secretary to Govt. of Madhya
P. W. & T. Department,
Ootacamund.

Sir,

Sub: Ebay - Sonicadanam and
Salur - Parvathipuram Road. Undertaking
- Payment of Compensation -
Award of Arbitration

(1) In continuation of this Govt. letter no. 89933 D/53-4 Pw dt 19-11-53, I am directed to forward for necessary action a copy of letter no. 14940 dt. 11.12.1953 from the Asst. Govt. Pleader, Madras.

9-54

15.12.53

15.12.53

I.F.

Memo no. 57266 D/53-8 dt 15.12.53

Subj: Elecy - Indifn electrical Co. undertaking - Acquisition by Govt. - Payment of Compensation Amount of Arbitrator - Fixing of -

Ref: - Govt. endt no. 57266 D/53-6 Pol dt 12.12.53 -

A copy of letter no. 14940 dt 11.12.53 from the Asst. Govt. Pleader, Madras, is forwarded to the C & I G & the CoE(S) for information -

To
The C & I G
" CoE(S)

Dy Sec
15/12/53

15/12/53

PwD (I2)

Memo no. 57266 I2/53-985-1.54

Sub: Elecy – Madras Electricity Supply Undertakings (Acquisition) Act, 1948 – Vidyut Co. elecl. undertaking – Acquisition & Govt. – Award of Arbitrator – Filing of –

Ref: Govt. to Asst. Govt. Pleader, no. 14940 dt 11/12/53

The Asst. Govt. Pleader is requested to state the present position.

5/1/54

To
The Asst. Govt. Pleader, High Court, Madras. 1

5.1.53

5/1/54

Department

From

K. VEERASWAMI
ASST. GOVERNMENT PLEADER
HIGH COURT, MADRAS - 1.
11 JAN 1954
PUBLIC WORKS DEPARTMENT

Received Registered

To

The Chief Operation Engineer(South)
157, Mount Road, Madras.

Enclosures: No. 177, dated 7th January 1954.

Sir,

SUB: Electricity - Madras Electric Supply undertakings (Acquisition) Act 1949 - payment of additional compensation - award of Arbitrator - Filing of O.P.Nos. 348 to 350 of 1953 - High Court, Madras.

2908

The above original petitions Nos. 348 to 350 of 1953 came up for final orders before Mr.Justice P.N.Sarasawami today and a decree was passed in terms of the award. I have applied for certified copis of His Lordships Order and forward the same as soon as it is received from the High Court Office.

Copy to the Secretary (PWD)
Fort St.George, Madras.

K. Veeraswami
Asst.Government Pleader.

C.Nos 2908/53 and 324&2/54

The High Court's decree in terms of the award of the Arbitrator relating to Madras undertaking may be awarded

PWD(Y2)

30.1.1954

18/1/54

18/1/54

(1)

C.F. 32 (a)— 184,468—15-11-52

Department

From (Name) Sri.K.Veeraswami,

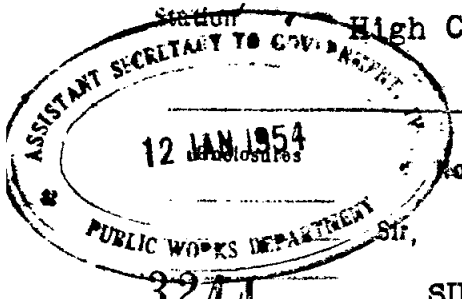
Designation Asst.Government Pleader,

Station High Court, Madras.

Received ____ Registered ____

To

The Asst.Secretary to Government
Public Works Department.
Fort St.George, Madras.



3244

Enclosures

No. 234 dated 11th January 1954.

SUB:- Electricity - Madras Electricity Supply Undertakings (Acquisition) Act, 1949 - Udipi Co. Electrical undertaking - Acq uisition by Government - Award of Arbitrator - filing of. O.P.Nos.348 to 350/53.

Ref:- Memorandum No.57266-I/53-9, dated 5..1..1954.

I invite your attention to my letter No.177 dated 7th January 1954.

K Veeraswami

Asst.Government pleader.

GOVERNMENT ELECTRICITY DEPARTMENT.

From

The Chief Operation Engineer (South)
+157, Mount Road, Madras.

To

The Secretary to Government,
Public Works Department,
MADRAS-9.

Sir, NO.1487-E/53-24 dated 15--1--1954.

Sub: ELECTRICITY - Udipi and Union Cochin l
of records - Further report sent.

Further to para 1 of Chief Engineer's letter No.1487-E/53-4 dated 30-7-53, I have to state that the Superintending Engineer, Pykara Electricity System has already taken necessary action on the concerned Deputy Chief Accountant for the loss of records of the Udipi Electrical Undertaking. As the loss of records of this undertaking has not vitally affected the interests of Government in the Arbitration, no further action appears called for.

A vigorous search is being made regarding the records of the Union Cochin Electrical Undertaking. A further report will be sent on receipt of particulars from the Superintending Engineer, Pykara Electricity System.

M R Subramanian
For CHIEF OPERATION ENGINEER(SOUTH

Memo no. 57266/53.10527/54

Sub: Elec. - Udipi Co. elec. undertaking - Acquisition & Grant - Payment of Compensation Award of Arbitrator -

Ref: From the Asst. Govt. Pleader, No. 177 dt 7-1-54.

The Asst. Govt. Pleader is requested to send a copy of the High Court's order referred to in his letter

..... Department

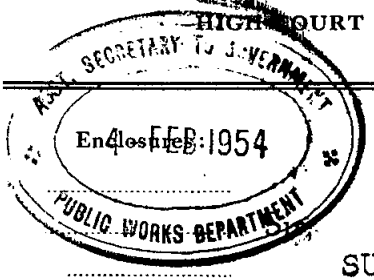
From

K. VEERASWAMI
ASST. GOVERNMENT PLEADER
HIGH COURT MADRAS - 1.

Received ..... Registered .....

To

The Assistant Secretary to Govt.
Public Works Department.
Fort St.George, Madras.



Enclosures 4 FEB 1954

No. 705, dated 3rd February 1954.

9152

SUB: Electricity - Udipi Company Electrical undertaking - Acquisition by Government - Payment of compensation Award of Arbitrator. O.P.Nos.348 to 350/50.

Ref: Memorandum No.57266-I/53-10 dated 27th January 1954.

I have applied for certified copies of the order in the above matter and forward the same to you as soon as they are received from the High Court Office.

Asst.Government pleade

Government Electricity Department

Fro
The Chief Operation Engineer (South)
157, Mount Road, Madras-2

12399

To
The Assistant Government Pleader,
High Court, Madras-1

No.1467-S/53-26/dated 12-2-54

Sir,

Sub: Electricity--S.E.B. undertakings (Acquisition) Act '49
Udipi Electrical undertaking - Payment of additional compensation - Award of Arbitrator
Ref: Your letter No.461 dated 22-1-54

I shall be glad if you can obtain and forward the certified copies of decree and judgement referred to in your letter cited.

for Chief Operation Engineer (South)

Rn.12-2

Copy to the Chief Controller of Accounts, Madras
Copy submitted to the Secretary to Government, P.W.D., Madras

ASST. SECRETARY TO GOVT. 15 FEB 1954 PUBLIC WORKS DEPARTMENT

GOVERNMENT ELECTRICITY DEPARTMENT.

From

The Chief Operation Engineer(South)
157 Mount Road, Madras--2.

To

The Secretary to Government,
Public Works Department, Madras-9.

No.1487 E/53-29, dt.8.3.54.

Sir,

Sub: ELECTRICITY - Madras Electricity Supply Undertakings (Acquisition) Act, 1949 - Udipi electrical undertaking - Payment of additional compensation - Award of Arbitrator - O.P.No.350/53.

Ref: Public Works, Endorsement No.57266-I/53-6, dated 2.12.53.

In the endorsement cited, instructions were issued to deposit in the Court the amount due to the Udipi Electric Supply Corporation, under the decree, as soon as the decree has been made by the Court in terms of the Award.

2. In his letter No.177, dated 7.1.54, the Assistant Government Pleader, High Court, Madras, informed me that a decree was passed in terms of the Award on 7.1.54. He also stated therein that he has applied for Certified Copies of His Lordship's orders and would forward the same as soon as they are received. In his letter No.1231, dated 27.2.54, the Assistant Government Pleader, Madras, has sent photostat copy of order and Certified copy of judgment in the above matter. Copies of those orders are sent herewith. He has also claimed a fee of Rs.50/- in this regard. The remarks of the Chief Electrical Inspector to Government on the reasonableness of this claim are being called for.

3. As the Arbitration under reference was resorted to under the provisions of the Madras Electricity Supply Undertakings (Acquisition) Act, 1949, (Vide G.O.Ms.No.2334, dated 29.5.53) and as the Supreme Court of India has declared the said Act as void, a doubt has arisen whether the amount due to the Udipi Electric Supply Corporation as per the Award, can be deposited in the Court. I request urgent instructions of Government in the matter.

rv:8/3/54.

for CHIEF OPERATION ENGINEER(SOUTH).

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Thursday, the 7th day of January,
1954.

THE HONOURABLE MR. JUSTICE RAMASWAMI.

O.P.Nos. 348, 349 and 350 of 1953.

***

O.P.No.348 of 1953.

In the matter of the Indian Arbitration Act X of 1940

and

In the matter of the Arbitration between K.V.Subbarao, the Accredited Representative of the Salur Parvatipur Electricity Distribution Co., Ltd., and the State of Madras.

K.V.Subba Rao, the Accredited Representative of the Salur Parvatipur Electricity Distribution Co., Ltd. .. Petitioner.

and

1. Sri K.Chakravarthi, Retired District Judge, residing at No.251, 2nd Main Road, Gandhinagar, Adayar.

2. The State of Madras, Madras .. Respondents.

O.P.No.349 of 1953.

In the matter of the Indian Arbitration Act X of 1940.

and

In the matter of the Arbitration between K.V.Subbarao, the Accredited Representative of the Chicacole Electric Supply Corporation Limited and the State of Madras.

K.V.Subba Rao, the Accredited Representative of the Chicacole Electric Supply Corporation, Limited .. Petitioner.

And

1. Sri K.Chakravarthi, Retired District Judge, residing at No.251-2nd Main Road, Gandhinagar, Adyar.

2. The State of Madras, Madras. .. Respondents.

O.P.No.350 of 1953.

In the matter of the Indian Arbitration Act X of 1940

And

In the matter of the Arbitration between K.V.Subba Rao, the Accredited representative of the Udipi Electric Supply Corporation Limited, and the State of Madras.

K.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited. .. Petitioner

1. Sri K.Chakravarthi, Retired District Judge,
   residing at No.251-2nd Main Road, Gandhinagar,
   Adyar.

2. The State of Madras, Madras. Respondent

JUDGMENT:

No objection forthcoming. The awards have been filed into Court. Decrees are passed in terms of the Awards. The Government will bear its own costs. The Petitioner will get his costs from the Company. Advocate's fee is fixed at Rs.100/-, Rs.200/- an Rs.250/- respectively.

Intld. P.N.R.
7th January, 1954.

Certified to be a true copy,
Dated, this 24th day of February,1954.

/True copy/

SUPERINTEND

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Ordinary Original Civil Jurisdiction.

Thursday, the 7th day of January, 1954.

The Honourable Mr. Justice Ramaswami.

***

O.P.No.350 of 1953.

BETWEEN:

In the matter of the Indian Arbitration Act X of 1940

and

In the matter of the Arbitration between K.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited and the State of Madras.

K.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited. — Petitioner

and

1. Sri K.Chakravarthi, Retired District Judge, residing at No.251-2nd Main Road, Gandhi-nagar, Adyar.
2. The State of Madras, Madras. — Respondents.

Petition for (a) directing the First Respondent, the Arbitrator to cause the award passed by him on 14.9.1953 together with the documents taken and proved before him to be filed into this Court on or before a date to be fixed, (b) directing that notice of the filing of the award shall be given to the Petitioner and the Second Respondent after prayer (a) has been complied with, (c) directing that a decree be passed in terms of the said award, and (d) giving suitable directions for the costs of these proceedings

This petition coming on this day before this Court for hearing in the presence of Mr. M.Ramachandra Rao, Advocate for the Petitioner, and the Government Pleader for Respondent 2, upon reading the Petition, the affidavit of N.Ramiya, and the award dated 14.9.195 filed by the First Respondent herein, IT IS IN TERMS OF the aforesaid award ORDERED AND DECREED as follows:-

(1) That the Second Respondent do pay to the Petitioner herein, the sum of Rs.8,844-0-6 (Rupees Eight thousand, eight hundred and forty four, annas nil and pies six only) with interest thereon at the rate of 3 per cent from 1.10.1951 (date of Compulsory acquisition being 1.6.1951) as per section 12(5)(c) of the Act till the date of payment;

(2) That the petitioner and Second Respondent do bear their own costs in the Arbitration proceedings and that they do bear equally the costs of stamp on the award herein, the costs of filing the award into Court and getting a decree thereon, and executing the same;

(3) That the said Petitioner and the Second Respondent herein, do pay to the First Respondent (the Arbitrator herein) a sum of Rs.1,250/-(Rupees one thousand, two hundred and fifty only) in equal moieties towards his fees as fixed in the aforesaid award dated 14.9.1953; and

(4) That K.V.Subba Rao, the Accredited representative of the Udipi Electric Supply Corporation Limited, the Petitioner herein, do, from and out of the assets of the Company, have leave to retain and pay himself his costs of this Petition when taxed and noted in the margin hereof and in taxing the said costs a sum of Rs. 250/-(Rupees Two hundred and fifty only) be allowed as and for Advocate's fee.

WITNESS the Honourable Mr. PAKALA VENKATA RAJAMANNAR, Chief Justice at Madras aforesaid, this 7th day of January 1954.

Sd. xx xx xx
Second Assistant Registrar.

/True copy/

SUPERINTENDENT.

Memo no. 57266-U/53-II J 29/

Sub: Electricity - Indipi Co. electrical undertaking - Payment of additional Compensation - Deposit in Court of amount awarded by Arbitrator

Ref: Govt. Memo No. CoE(S), no. 1487-E/53-29 J dt. 3.

The CoE(S) is requested to arrange for the deposit immediately in the High Court the amount of additional Compensation awarded by the Arbitrator as payable for the Indipi Co. electrical undertaking.

GOVERNMENT ELECTRICITY DEPARTMENT

From

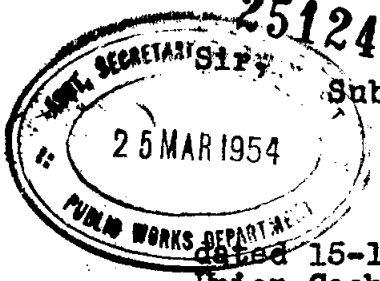
The Chief Operation Engineer (South),
157, Mount Road, Madras.

To

The Secretary to Government,
Public Works Department, Madras.

No.1905E/53-9 dated 23-3-54.

25124



Sir,

Sub:- Electricty - Union Cochin electrical undertakings - Loss of records -

---

Further to para 2 of my letter No.1487E/53-24 dated 15-1-54, I have to state that the missing records of the Union Cochin electrical undertaking are not traceable in spite of a vigorous search for the same. As the persons responsible for the loss of the both Udipi and Union Cochin records are the same and as the records appear to have been lost simultaneously and as action on the loss of Udipi undertaking records has already been taken (vide para 1 of my letter No.1487E/53-24 dated 15-1-54), no separate action seems called for on them. In the circumstances, the matter may be dropped.

2/ The exchange reminder received from Government in the matter is returned herewith.

FOR CHIEF OPERATION ENGINEER (SOUTH)

VAG.24/3.

ASST. SECRETARY TO GOVERNMENT
16 MAR 1954
PUBLIC WORKS DEPT.

GOVERNMENT ELECTRICITY DEPARTMENT

From

The Chief Operation Engineer (South),
157, Mount Road, Madras.

To

21865

The Secretary to Government,
Public Works Department, Madras.

No.1487E/53-30 dated 13-3-54.

Sir,

Sub:- Electricity - Madras Electricity Supply Undertaki
(Acquisition) Act, 1949 - Udipi electrical undertaki
Payment of fees to the Assistant Government Pleader
for Arbitration work - Sanction requested.

Further to para 2 of my letter No.1487E/53-29 dated 8-3-54, I have to state that the claim of Rs.50/- by the Assistant Government Pleader is reasonable and payable by Government on the assumption that the fee calimed by the Pleader is only for his appearance in the Court, while the award was decreed, and therefore is part of "their own cost" which each party to the suit is asked to bear for itself in the judgment decreeing the award. The Chief Electrical Inspector to Government agrees with this. In the circumstance

I request that the Government may be pleased to sanction
the payment of Rs.50/- to Thiru [illegible] Counsel for the Government,
Madras.

Yours faithfully,

[signature]

FOR CHIEF OPERATION ENGINEER (SOUTH)

VAG.13/3.

13/3

Sir,

Sub:- Electricity - Madras Electricity Supply Undertaking
(Acquisition) Act, 1949 - Udipi electrical undertaking-
Payment of fees to the Assistant Government Pleader
for Arbitration work - Sanction requested.

Further to para 2 of my letter No.14872/53-29
dated 8-3-54, I have to state that the claim of Rs.50/- by the
Assistant Government Pleader is reasonable and payable by
Government on the assumption that the fee claimed by the
Pleader is only for his appearance in the Court, while the
award was decreed and therefore is part of "their own cost"
which each party to the suit is asked to bear for itself in
the judgment decreeing the award. The Chief Electrical
Inspector to Government agrees with this. In the circumstances,

P.T.O.

Government Electricity Department

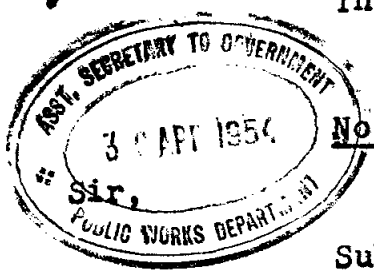
1241

From

The Chief Operation Engineer(south),
157, Mount Road, M a d r a s.

35077 To

The Secretary to Government,
Public Works Department,
M a d r a s-9.



No.1487-E/53-34 dated 24--4--1954

Sir,

Sub: Electricity--Madras Electric Supply Undertaking(Acquisition)Act, 1949--Udipi electrical undertaking--payment of compensation--Award of Arbitrator--Filing in court.

Ref: P.W. Endt.57266-I/53-6 dated 2-12-53

--

A cheque for Rs.9520-9-6(Rupees Nine Thousand Five Hundred and twenty annas nine and pies six only) representing the additional compensation awarded by the Arbitrator as payable by Government to the Udipi Electric Supply Corporation Ltd., and decreed by the High Court on 7-1-54(O.P.No.350 of 1953), together with interest thereon at 3% per annum from 1-10-51 to 18-4-54 under section 12(5)(c) of the Madras Electric Supply Undertaking Acquisition Act 1949 has been tendered as deposit in the High Court in accordance with the instructions of Government in the reference cited. The amount of the award is Rs.8844-0-6 and interest for this amount from 1-10-51 to 18-4-54 works out to Rs.676-9-0

For CHIEF OPERATION ENGINEER(SOUTH)

19/4/54

Memo. No.S7266/53-13 dated 8/5/

SUB: ELECTRICITY - Udipi Co. elecl. undertaking - acquisition by G Payment of compensation - Awar Arbitrator - Decree by Madras Court - Appearance of Asst. Go Pleader - Payment of fees - Sanctioned.

REF: From the C.E.E.(S), No.1487-E/ dated 13.3.1954.

In accordance with G.O. No 696 Home 9/2

The Govt. sanction the payment of a fee of Rs. 30/- (Rupees fifty) o to the Assistant Government Pleader Madras, for the services rendered b him on behalf of the Government, in connection with the proceedings the Madras High Court relating to the award of the Arbitrator in the dispute between the Government and the accredited representative of the Udipi licensee Co. in regard t the amount of compensation payable for the Udipi Co. elecl. undertaking acquired by the Govt.

2. The expenditure is debitable to "27. Administration of Justice-b. Law officers - 3. Allowances and Honoraria - Fees to the Govt. Pleade

GOVERNMENT ELECTRICITY DEPARTMENT

From

The Chief Operation Engineer (South),
157, Mount Road, Madras-2.

To

The Secretary to Government,
Public Works Department,
Fort St. George, Madras.

93691

No. 2588-E/54-5, dated 1-12-1954.

SECRETARY TO GOVERNMENT
4 DEC 1954
PUBLIC WORKS DEPARTMENT

Sir,

Sub:- Electricity - Madras Electricity Supply Undertakings (Acquisition) Act 1949 - Udipi electrical undertaking - Payment of compensation - Award of Arbitration - Further interest paid - Intimated.

===

Further to my letter No.1487-E/53-34, dated 24-4-1954, I have to state that an amount of Rs.0-12-0 (Rupees Nil and annas twelve only) representing the interest due for one more day (19-4-1954) on the additional compensation sanctioned as per the Arbitrator's Award which was credited to the Personal Deposit account of the Registrar on 20-4-1954 was sent to the Registrar, High Court of judicature by Money Order for being credited to the personal deposit account of the Registrar.

PYJ/2-12.

For Chief Operation Engineer (South)

Copy to the Assistant Government Pleader, High Court, Madras.

Sub: ELECTRICITY - Udipi company electrical ur
taking - Acquisition by Government - Payn
of final compensation - Dispute with accr
representative - Arbitration.

Ref: From the C.E.I.G., No.151 M/51-207 d.22-9
From the C.E.I.G., No.151 M/51-210 d.2-7-

=====

The file relates to the arbitration of th dispute between the Government and the accredi representative of the Udipi licensee company regard to the amount of compensation payable some of the assets etc. of the Udipi electric undertaking acquired by the Government.

2. The Udipi company electrical undertak vested in the Government on 1-6-1951 under th provisions of the Acquisition Act. Compensat for the undertaking is payable under Basis C, book value of the assets less depreciation pl solatium. The accredited representative of t Udipi licensee company submitted his statemen claim for compensation for the undertaking as required under the provisions of the Acquisit Act and the rules thereunder. After examinin claim in consultation with the C.E.I.G. and t C.O.E.(S), the Government issued orders in G. Ms.No.3985 P.W. dated 25-9-1952, under sectio 12(5)(a) of the Acquisition Act declaring the gross amount of compensation payable for the undertaking as Rs.1,57,214-0-3. A statement indicating the amounts disallowed by the Gove ment from the claim statement submitted by th accredited representative was also furnished him as required under Rule 15 of the Acquisit Rules. Subsequently, in G.O.Ms.No.1664 P.W.

...r

dated 15-4-1953, the Government sanctioned the payment of a further sum of Rs.538-11-10 as compensation payable for the undertaking in respect of stationery articles and the irrecoverable current consumption charges due from consumers deducted from the compensation amount already declared.

3. The accredited representative of the Udipi licensee company did not accept the amount of compensation determined by the Government as payable for the ~~Srikakulam~~ Udipi undertaking and contended that the claim as preferred by him originally was just and reasonable. So, he requested that the dispute relating to the fixation of compensation might be referred to arbitration with reference to section 14(1) of the Acquisition Act and Rule 17 of the Acquisition Rules. The Government accepted the request and in G.O.Ms.No.2334 P.W. dated 29-8-1953, orders have been issued appointing Sri K. Chakravarti, Retired District Judge, as arbitrator to settle the dispute between the Government and the accredited representative in regard to the amount of compensation payable for the following assets of the ~~Srikakulam~~ Udipi undertaking in respect of which there is difference between the amounts claimed by the accredited representative as compensation and the amounts sanctioned by the Government therefor:-

(1) V.P. Engine set.
(2) Black stone engine set.
(3) Crossley engine set (at Karkala).
(4) Fuel supply system.
(5) Mains.
(6) Transformers-100 K.V.A.
(7) Stores and Spares.
(8) Expenses prepaid.
(9) Solatium.

The question whether the Advocate General might be asked to appear before the arbitrator behalf of the Government was also examined a on the Adv. General's advice, orders were issued asking the Government Pleader, Madras, to prepare in con tation with the C.E.I.G. and the C.O.E.(N), the case to be presented to the arbitrator o behalf of the Government and also to appear before the arbitrator in the dispute. ~~The~~ The Government Pleader has also been told th he may request the Advocate General to appea before the arbitrator for arguments on any o the important questions involved.

4. The Advocate for the accredited representative, viz. Sri M.Ramachandra Row of Madras, has filed the statement of the case before the arbitrator on behalf of his clien The counter-statement prepared on behalf of Government has already been sent by the C.E. to the Government Pleader on 22-6-53.for bei filed before the Arbitrator, ~~on 22-6-53~~. A c of the two statements, i.e., the statement fil on behalf of the accredited representative a the one filed on behalf of the Government ar at pages 5-31 of and pages 33-49 of respecti With reference to the instructions issued in Government Memorandum No.106361-I/52-8 P.W. dated 25-5-53 and para 4 of G.O.Ms.No.2334 P dated 29-5-53, provision has been made in th counter-statement requesting the arbitrator grant leave to the Government to file a supp mentary statement before the arbitrator if i becomes necessary to do so later on. With reference to the counter-statement filed bef

the arbitrator on behalf of the Government, the accredited representative has filed another statement before the Arbitrator, a copy of which i at pages 55-61 cf. The C.E.I.G. has stated that with reference to arbitrator's letter dated 5-6-53 only the accredited representative was asked to fi his reply to the counter-statement filed on behalf of the Government, that no further statement on beh of the Government is therefore being filed before the arbitrator with reference to ~~the statement fil on behalf of the accredited representative mention~~ K above. He has, however, pointed out that the points referred in the reply to the Govt. counter statement ~~in question~~ will be replied to when the case comes up for arguments before the Arbitrator.

5 In the ~~original~~ first statement filed before the Arbitrator on this behalf, the accredited representative has not pressed his claim in respect of the items (4) and (6)-viz. Fuel Supply System and Transformers — mentioned at K on page 2 ante, and has pressed his claim only in respect of the remaining assets. As regards the V.H.Engine set (items (i) at 'M' on page 2 ante), he has agreed to the disallowance of an amount of Rs.2,371-11-0 already accepted by him and has pressed his claim only in respect of the balance of Rs.8,991-1-0 plus solatium of 15% thereon.

6 It may be mentioned in this connection that the position in respect of the various assets etc, under dispute has already been noted on in detail in connection with the examination of the accredit representative's claim for final compensation for the Udipi undertaking. Attention is invited to

the relevant notes of this Department recorded that connection as indicated below:--

Name of asset	Reference to previous notes of this Dept in G.O. at (P)
(1) V.M. Engine set	Item (1) at pp.4-6 nf
(2) Black stone engine set)	Items (2) & (3) at pp
(3) Crossley engine set)	
(4) Mains	Para 7, pp.8-10 nf
(5) Stores and spares	Para 16, pp.14-16 nf
(6) Prepaid expenses	Para 18, pp.16-17 nf
(7) Solatium	Para 19, page 17 nf.

7. The counter-statement sent by the CEIG. to ~~preferred by t~~ to be filed before the arbitrator Government Pleader on behalf of the Government appears to meet all the points raised in the st ment filed on behalf of the accredited represer tative and no remarks thereon seem called for. remarks also seem called for on the statement f on behalf of the accredited representative in r to the Government's counter-Statement, in view X on page 4 ante.

8. Legal (Courts) may, however, see for remarks, if any.

N.V. 11.7.53

TB 14713

S

14/7/53

Legal (Cts)

Legal(Opinions)Department.

In the circumstances explained in the note of P.W.D. and in view of the C.E.I.G's assurance that the points raised in the reply-statement will be suitably countered during the arguments, this Department agrees that no further statement need be filed

No. 57266 d/53-2
15.7.53.

ASSISTANT SECRETARY 11597C 16 JUL 1953 LEGAL DEPARTMENT

on behalf of the Government.

Legal U.O 11597-C/53 21.7.53.

Copy 21.7.53. 21.7.53 D.S. P.W.D.

PWD(I3)

Please See the notes of the Legal Dept. at pp 5-6 ante. No action appears called for at present. This may be seen till 25.8.1953.

24/7/53 24/7/53 DR 23/7

(seal)

C7098

(From the C.E.I.G., No. 151 N/51-213 dt 21.7.53)

Please See the copy of CE(G)'s letter at p63 of addressed to the CE(S). No action appears called for here. May be filed.

27.7.53. 27.7.53 DR 24/7/53

(From the C.E(E), No. 1487 E/53-4 dt 30.7.1953)

The references from the CE.I.G. and the CE(E) at pp 63-65 of and pp 67-68 of respectively regarding the loss of certain account books etc., relating to the Idukki and Cochin electrical undertakings may be perused. It is stated that a rigorous search for the missing records is going on the CE(S) has stated that a further report should be sent to the Govt. in regard to the errors responsible for the loss of the records etc. It may be awaited till 5-9-1953.

2) The dispute between the Govt. and the accepresentatives of the Idukki licensee Co. in regard to the

of the Udipi undertaking mentioned at ¶
on p67/cf is now pending before the Arbi
rator. The C.E.I.G. and the C.E.(S) are of th
view that the records that are now
missing may not be of importance
connection with arbitration. So, the C.E.
has stated that the loss of the records
question may not affect the interest
of the Govt. adversely in the pendi
arbitration.

3. The dispute relating to payment of
compensation for ~~acquiring~~ the
Cochin undertaking has not yet been
referred to arbitration, since the accredit
representative
has not asked for it so far. The request of the ac
in that
reprn. for additional compensation is under exam
8.53.
11.8.53.

P.W.(I3).

(From the C.E.I.G.No.151 N/51-227 d.30-9-1953)
(From the C.O.E.(S), No.1487 E/53-13 d.8-10-53)

The notes of this Department and the Legal Department at pages 1-6 ante, the references from the C.E.I.G. and the C.O.E.(S) at pages 75-76 cf and page 81.cf may be perused.

2. As already mentioned, the accredited representative of the Udipi-licensee pressed ~~the~~ his claim before the Arbitrator for additional compensation only in respect of the following items:--

(i) V&M. Diesel set
(ii) Blackstone engine set
(iii) Crossley engine set
(iv) Mains
(v) Stores and spare parts
(vi) Prepaid expenses

All the above claims were countered as inadmissible in the statement of the case filed before the Arbitrator on behalf of the Government. Sri Chakravarti, Arbitrator, has passed his award on 14.9.1953 in this case and a copy of the award sent by the C.E.I.G. is at pages 77-80 cf. In the award the Arbitrator has mentioned that during the hearing of the case, the suggestions made by him (evidently for a compromise) in respect of these claims were accepted by the accredited representative on the one side and by the C.E.I.G. (in consultation with certain high officials of the Electricity Department) on behalf of the Government on the one that the two parties subsequently filed joint memos. before him according to his suggestions. The Arbitrator has now given his final award in the dispute with reference to the joint memos filed by both the parties. He has stated that the accredited representative has withdrawn his claims in respect of items (i) and (vi) overleaf amounting to Rs.7,203-4-11 and in respect of the remaining items, he has decided (as mutually agreed to by the parties in the joint memos) that the Government should pay an additional compensation of Rs.7,[illegible] plus a solatium thereon of Rs.1,040-8-5, i.e. a total amount of Rs.8,844-0-6 in all, together with a thereon interest at 3% from 1-10-51 with reference to section 12(5)(c) of the Acquisition Act. The following statement gives in one view the amount of additional compensation originally claimed by the accredited representative in respect of the items under reference and the amounts awarded by the Arbitrator in respect of each item:—

Particulars of claim	Amount claimed by accr. repve.	Amount a by Arbit
1. V.M.Diesel set	5,991 1 0 (Claim subsequently withdrawn by accr. representative)	Nil
2. Blackstone Engine set.	6,390 1 4	3,531
3. Crossley diesel set	4,726 4 0	2,613
4. Mains account	701 6 0	359
5. Stores and spare parts	4,503 12 6	1,300
6. Prepaid expenses	272 9 6 (Claim subsequently withdrawn by accr. representative)	Nil
7. Solatium on above items	3,387 13 8	1,040
Total	25,973 0 0	8,844

3. It may be mentioned that copies of the joint memos filed by the two parties have not been sent by the C.E.I.G. with his present reference. But it is clear from the Arbitrator award that with reference to his suggestion, the C.E.I.G. and the officers of the Government Electricity Department (Chief ~~Executive~~ Operation Engineers) have agreed to come to a compromise with the accredited representative in regard to the latter's claim for additional compensation in respect of the several items involved. Since such a compromise involves payment of an additional amount as compensation for the undertaking over and above the amount of compensation already declared by the Government as payable the undertaking with reference to the original claim of the accredited representative, it woul

p.t.o.

appear that the approval of the Government should have been obtained by the C.E.I.G. t the proposed compromise before entering int negotiations with the accredited represents However, as this has not been done and the award also has been passed on the basis of the compromise as arrived at between the C.E.I.G. and the accredited representative, there seems to be no need to pursue this pc further. But the omission to consult the Government referred to at A above may be pointed out to the C.E.I.G. and the C.O.E.(

4. The C.E.I.G. has stated that ~~this~~ decision of the Arbitrator has been agreed by the accredited representative and that i the Government agree with the award, orders be issued sanctioning the payment of additional compensation awarded by the Arbitrat now itself without observing the formality obtaining the High Court's decree on the a The above course has been suggested by the C.E.I.G. to avoid payment of further intere in respect of the additional compensation awarded by the Arbitrator. — vide 'X' on p 8 He has further suggested that, if considered necessary, th accredited representative may be asked to intimate his acceptance of the award to the Government direct. The CO2(S) has suggested that point raised by the CEIG may be examined & order issu

5. It may be mentioned that the awa available with Government is only a copy a full details, viz. copies of the joint mem filed by the parties to the dispute and st ments of calculation of depreciation etc.

co

arriving at the additional compensation awarde
are not available. Moreover, the award will l
to be filed by the Arbitrator in the High Cou
and a decree obtained thereon in terms of the
award. It is presumed that the Arbitrator is
taking necessary action in the matter. In th
connection, the question whether the Governme
should have to contest the Arbitrator's award
respect of any or all the items involved will
also have to be decided. From the particular
of the award now available, it does not seem
it would be worth while for the Government to
contest the award either fully or partly. Th
question may, however, be examined further afte
the detailed particulars referred to at M (abo
become available. If the Government are to c
test the award, action in this regard should
taken within 30 days of receipt of notice ~~of~~
the Registrar, High Court, regarding the filin
of the award in the High Court. In the circu
stances, it does not seem to be necessary to s
tion the payment of additional compensation
awarded by the Arbitrator, pending the passing
a decree as at D above by the High Court. In
meanwhile, we may perhaps ask the Government
Pleader to obtain and forward to Government c
of the joint memos and other details referred
at M on pp 10-11 above and to state if the award has sin
been filed by the Arbitrator in the High Cour

Draft Memo submd.

6. Legal (Cts.) may be requested to adv
in the matter. Finance may also see

K.SS 26.10.53

M 28.10.53 Sd/ Asst. Secy. Fin

I do not like it much as we
are moving in a meticulous examination

the Debate to see whether his award should be challenged. We must be fairly liberal in the case of licensees whose tonnage have been acquired. The amount to be paid under is a negligible fraction of the total compensation Decision.

I suggest we issue orders paying the additional compensation awarded as proposed by the CELE/

2. Legal may see the memo below also

29/10

Law(Opinions)Department.

Seen in Law.

It is desirable that the payment of the amount awarded by the arbitrator is made after an authenticated copy of the award is received. However if the administrative Department is satisfied that the copy at pages 77-80 c.f. is a correct one, this department sees no objection to paying the amount to the accredited representative after obtaining from him a valid acquittance. Steps may be caused to to be taken to file the award in Court and obtain a decree thereon.

12/11/53

Klerk
12/11/53

Finance

ASSISTANT SECRETARY
17205C
30 OCT 1953
LEGAL DEPARTMENT

Law No 17205C/53
12/11/53.

(Seal)

ADDITIONAL DEPUTY SECRETARY TO GOVT.
86403
14 NOV 1953
FINANCE DEPARTMENT

The file relates to the arbitration of the
ute between the Government and the accredited re
entative of the Udipi Electrical Undertaking, wh
as been taken over by the Government, in regard
he amount of compensation payable for some of th
ssets of the company referred to on p.5 above.

2. The Arbitrator has passed his award and
copy of it is at pp.77-80 C.F. The Arbitrator
ention that the suggestions made by him (evident
or a compromise) have been accepted by the accre
epresentative of the company on the one side and
hief Electrical Inspector to Government on behal
he Government on the other side and the two part
ave filed joint memos. before him according to h
uggestions. The amount of compensation awarded
he Arbitrator is Rs.8,844-0-6 as against the cla
f Rs.25,973/- put forward by the company. ~~The P~~
~~are noted that~~, though the Chief Electrical Inspe
o Government ~~xx~~ should have ordinarily consulted
overnment before coming to a compromise, PW consider that the omi
n the present case may be ignored as consultatio
ith the Government would have involved delay and
s the amount involved is small. Finance may agr
ublic Works.

2. An authenticated copy of the award in t
resent case has not been received. Copies of th
emos. filed by the two parties before ~~xx~~ the arbitrator
lso not available. Ordinarily, these have to be
btained and the question whether the Government
ontest the award should be examined before payme
s actually made. A decree should also be obtain
rom the High Court for the award. In the presen
ase, Public Works do not consider it worthwhile
he Government to contest the award either fully

tig / after examining the papers referred to above. y accordingly suggest that orders sanctioning the ment of the compensation may be issued straightaway.

3. The Legal Department consider it desirable to e payment of the compensation after an authenticated y of the award is received. However, they have no ection to payment being made to the accredited repre- tative of the company after obtaining a valid acquittance m him, if Public Works are satisfied that the copy pp.77-80 C.F. is a correct one. They have also stated t steps may be caused to be taken to file the award the Court and to obtain a decree thereon. As the lic Works do not consider it worthwhile to contest award in the present case and in view of the remarks Legal above, this Department need not object to the ment of the compensation being sanctioned, ~~provided lic Works are satisfied~~ that the copy of the award pp.77-80 C.F. is a correct one.

17.11.53

18/11/53

18/11/53

PWD(I-2).

From the Government Pleader, No.14076, d/14.11.53).

Rn. No. 8-5403/GB-53-1
18.11.53

ASSISTANT SECRETARY TO GOVERNMENT (IV)
PUBLIC WORKS DEPARTMENT

XXXXX

The file relates to the arbitration of the ispute between the Government and the accredited epresentative of the Udipi electric licensee company n regard to the amount of compensation payable for ome of the assets etc. of the Udipi Co.. Elecl.Under- aking which was acquired by the Government on 1.6.51 nder the provisions of the Madras Electricity Supply ndertakings(Acquisition) Act, 1949. The Arbitrator Sri K.Chakravarti, Retired District Judge) passed is award in the dispute on 14.9.53 and a copy of the ward sent by the C.E.I.G. is at pp.77--80 cf. In the ward, the Arbitrator has mentioned that during the earing of the case, the suggestions made by him

(evidently for a compromise) in respect of the claims under dispute were accepted by the accredit representative on the one side and the C.E.I.G. (i consultation with certain High Officials of the Government Elecy.Deptt) on behalf of the Governmen on the other side and that the two parties subsequently filed joint memos before him according to his suggestions. The Arbitrator has passed his final award in the dispute with reference to the joint memos. filed by both the parties and has decided that the Government should pay an additiona compensation of Rs.7,803-8-1 plus a solatium of Rs.1,040-8-5 thereon, i.e. an amount of Rs.8,844-0- in all, together with interest thereon at 3% from 1-10-51 with reference to section 12(5)(c) of the Acquisition Act. The C.E.I.G. has not furnished Copies of the joint memos referred to above as als other statements of calculation of depreciation et prepared by the Arbitrator for arriving at the addl amount of compensation mentioned at 'S' above.

2. Under the Arbitration Act 1940, the award in the present case should be filed in the High Court and a judgment pronounced in terms of the award. Under Section 14(2) of the above Act, the Arbitrat shall cause the award to be filed in the Court (a) at the request of any party to the dispute or (b) if so directed by the Court. The Arbitrator has to file the award (together with the relevant document in the Court by a petition within 90 days of the receipt of the notice of making the Award. On this petition being admitted, the Registrar will file the award and issue notices to the parties. Any party wanting to move the Court, for setting aside the award or for remitting it for reconsideration must do so within 30 days from the date of receipt of the Registrar's notice. If no such application

is filed, the Court will pronounce judgment in terms of the award under section 17 of the Arbitrat Act.

3. While forwarding to Government a copy of the Arbitrator's award in the present case, the C.E.I.G. has stated that if the Government agree with the award, orders may be issued now itself sanctioning the payment of the addl. compensation awarded, without observing the formality of obtaining the High Court's decree on the award. The above course has been suggested by the C.E.I.G. to avoid payment of further interest in respect of the additional compensation awarded by the Arbitrator. This Department has observed that we should be fairly liberal in the case of liconsees whose properties have been acquired and suggested that it would not be worthwhile wasting time and money in a meticulous examination of the details to see whether the award should be challenged. Since the additional amount of compensation awarded by the Arbitrator is a negligible portion (i.e. about 5½%) of the total compensation already paid for the Udipi undertaking ~~(i.e. about 5%)~~, this Department has accepted the proposal of the C.E.I.G. at 'X' above to sanction being accorded now itself for the payment of additional compensation awarded by the Arbitrator, pending the High Court's formal decree on the an award. The Law Department has no objection to payment being made to the accredited representative now itself after obtaining from him a valid acquittance, if this Deptt. is satisfied that the copy of the award at pp.77-8 is a correct one. That Department has further suggested that steps may be caused to be taken to file the award in the court and obtain a decree thereon. The Finance Department also has accepted

proposal of this Department at 'M' on p.16 ante, it
ng assumed with reference to 'A' on p.16 ante that
copy of the award at pp.77-80 cf. is a corre
. That Department has also accepted the sug-
tion of this Department that the omission on
part of the C.E.I.G. to consult the Governme
ore coming to a compromise with the accredite
resentative in regard to the claim for addi-
al compensation, may be ignored since consul-
on with the Government would have involved
y and the amount involved is also small.

4. With reference to the suggestion of Law
t. at 'B' on p.16 ante, it may be mentioned that the
cate for the accredited representative has
ady filed a petition in the High Court where
e has stated that the accredited representa-
accepts the award of the Arbitrator and has
ested that the Court may direct the Arbitrat
ause the award to be filed in the High Court
Advocate for the accredited representative
given notice to the Government Pleader of
above petition. The Government Pleader has
arded the copy of the above petition to the
. (which is not authenticated) and has asked
instructions from the Government. Since the
cate for the accredited representative has a
y taken the initiative to have the award fil
he High Court, it appears that we need not
any further action with reference to 'B' on
date. The receipt of the Registrar's noti
rding the filing of the award in the High Court may be awaited

6. As regards the point raised by the Law
t. at 'A' on p.16 ante, it may be mentioned t
copy of the award at pp.77-80 cf. has been
enticated by the Chief Accountant of the
I.G.'s office, who is a Gazetted Officer. Evi-

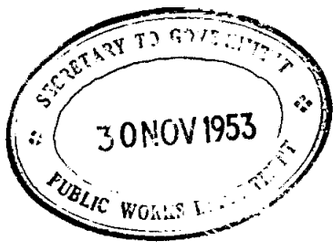
Evidently, the C.E.I.G. has retained in his office the authenticated copy of the award given to him by the Arbitrator. Moreover, the additional amount of compensation stated to have been awarded by the Arbitrator as indicated in the copy of the award at pp. 77-80 cf. (i.e. Rs. 8,844-0-6) tallies with the amount of award indicated in the petition filed on behalf of the accredited representative before the High Court. In view of this, there appears to be no need to doubt the correctness of the copy of the award at pp.77-80 cf. In regard to the suggestion of the Law Department for payment of the additional compensation amount to the accredited representative after taking an acquittance from him, it would appear that as there is no provision in the Acquisition Act for making a direct payment to the accredited representative of any amount of additional compensation awarded by the Arbitrator, the amount of compensation awarded in this case will, it seems, have to be deposited in the Bank only as required under the provisions of section 12(5)(b) of the Act. This point will be taken up again with the Legal Department at a later stage for advice.

7. The file may be circulated to M.(W) and M.(F.&E) for approval of the following proposals in this file:--

(i) that the award of the Arbitrator, according to which an additional compensation amounting to Rs.8,844-0-6, together with an interest of 3% thereon (with effect from 1-10-1951) will have to be paid by the Government for the Udipi Electrical Undertaking, may be accepted and that no action need be taken by the Government to challenge the award before the High Court after it has been filed in the Court; and

(ii) that orders may be issued now itself sanctioning the additional amount of compensation

(i.e. Rs.8,844-0-6), together with interest thereon at 3% from 1.10.1951, pending th- Court confirming the award.



25.11.53

25/11/53

25.11.53

Legal Secy may also see

26/11/53

Legal Secy

The G.P. may be instructed to represent to the Court that the Government have no objection to a decree being passed in accordance with the award. As soon as the decree is made, the amount due under the decree may be deposited in Court.

V. Subramaniam
25.11.53

at p 14 ante

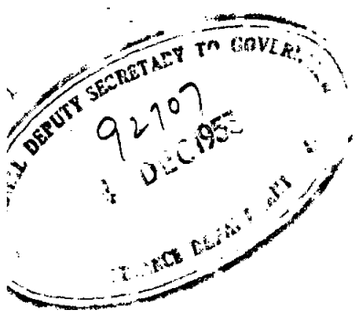
M(W)

1/12

M(Jr.S) V. Subramaniam
1.12.53

PWD(L)

Please see the remarks of the Law Secretary and orders in circulation above. In view of the position set out by the Law Secretary at A above, the point raised at D on the previous page need not, it seems, be pursued now. The two drafts below are for approval. (The Govt. Pleader has asked for an immediate reply to this letter at p 83 cf., since the case has been adjourned for hearing on 12.12.1953)



(Previous finance note in ff 13-14 above)
(and the PWD note)
The orders in circulation on ff 19 above may be passed.

5.12.53

5/12/53 P.W.

PWD(2)

(From the C.E.I.G., NO.151 N/S-1-233/30.11.53)
(From the COS(S), NO.1487 E/53.20/4.12.53)

SECRETARY TO GOVERNMENT
10498
5 DEC 1953
PUBLIC WORKS DEPARTMENT

The orders of the Finance Dept., above and the replies from the CEIG and COS(S) at ff 89-91 ante may be issued. The attention of the CEIG & the COS(S) may be drawn to Govt. endt. at ff 87-88 ante.

Draft memo is enclosed.

4/53 7.12.53

(Issued as memo no. 57266 J/53-68/7.12.53)
(From the Asst. Govt. Pleader, NO.14940/11.12.53)

Please see the letter from the Asst. Govt. Pleader at ff 95 ante. The award in Suit Sri. Chakravarti is stated to have been filed in the Court - in the name of the Arbitrator through - his advocate.

The Asst. Govt. Pleader has also stated that the petitions relating to additional undertaking mentioned

also the Srivaidar petitions relating to the Srikalahasti and Salur-Parvatipur electl. undertakings have been adjourned to 17.12.1953 for hearing. The petitions relating to the latter two undertakings were already forwarded to the Andhra Govt. for necessary action. In view of this, a copy of the letter at P95 ante may be sent to the Andhra Govt. in confirmation. The CE(G) etc. also may be apprised of the matter. A draft letter to the Andhra Govt. & a draft endorsement to the CE(G) etc. is submitted.

15/12/1953 — 15/12/53 — 15.12.53

(Issued as Dr. No. 57266-D/53.7 dt 15.12.53).

(" " No. 57266-D/53.8 dt 15.12.53).

(From the Asst. Govt. Pleader, No. 177 dt 7-1-54).

(From the Asst. Govt. Pleader, No. 234 dt 11-1-54).

(From the CE(S), No. 1487-E/53.24 dt 15-1-54)

The notes of this Dept. from AA to BB on pp 6-7 ante relating to the loss of certain records of the Nidipi and Cochin electrical undertakings and the present letter of the CE(S) at P105 ante may be perused. The CE(S) has stated that the S.E., Pykara System, has already taken necessary action on the Govt. Dy. Chief Accountant for the loss of the records relating to the Nidipi undertaking. As the loss of the records in this case has not vitally affected the interests of the Govt. in the Arbitration proceedings in regard to the amount of Compensation payable for Nidipi undertaking, the CE(S) has recommended that no

other action is
called. This may be accepted.

2 The further report of the CO.E(S) pending the loss of records relating Cochin undertaking may be called for 25.2.1954.

3 The Asst. Govt. Pleader has sent information (CO.E(S)) that a decree has been passed by the High Court in case of the award of the Arbitrator regarding the amount of addl. compensation payable for the Udipi electrical undertaking. Certified copy of the order the High Court promised by the Asst Govt. Pleader has not been received so far. Draft reminder is enclosed.

25/1/54 25.1.54 27/1/54

(Issued as G.O. No. 57266 D/5.3.1054 27/1/54

(From the C.O.E.(S) No.1487-E/53-29, dated 8.3.54).

The case relates to the deposit, in the High Court Madras, of the amount of additional compensation awarded by the arbitrator as payable by the Government in the dispute between the Government and the accredited representative in regard to the compensation payable for the Udipi electrical undertaking taken over by the Government The case was referred to arbitration under the provisions of the Acquisition Act of 1949, at the request of the accredited representative. It was decided by the Govt. to accept the award of the arbitrator and, as suggested by the Law Department, to ask the Government Pleader to to represent th the High Court that the Government had no objection to a decree being passed in accordance with the award. It was further decided that as soon as the decree was made, the amount due under the decree

to the Government Pleader and the C.O.E.(S) accordin

2. The C.O.E.(S) has now forwarded to the Government a copy of the High Court's decree confirming the award of the Arbitrator. According to this decree, the Government have to pay to the licensee by way of additional compensation, a sum of Rs 8,844-0-6, together with interest thereon at 3% from 1.10.51 upto the date of payment. ~~This case relates to the claim of the Kamalapuram Municipal Council for payment to it of the share of profit due to it from its electrical undertaking for the portion of the official year from 1.4.51.~~ As the Acquisitic Act of 1949 has since been declared to be void by th Supreme Court, the C.O.E.(S) has requested orders of the Government whether the additional amount of compensation payable for the Udipi undertaking in accordance with the High Court's decree on the awarc of the Arbitrator need still be deposited in the Court with reference to the instructions referred tc at 'S' on pp 22-23 above. It may be mentioned in this connection that with reference to the Supreme Court's judgment referred to above, the question of enacting fresh legislation for the acquisition of electrical undertakings in this State is under consideration and in the proposed new Act, it is proposed to incluc suitable provisions for the purpose of validating all proceedings taken by the Government under the Act of 1949 in respect of electrical undertakings already taken over under that Act. When, therefore, the new Act has been passed with the above provisior the award of the Arbitrator and the Court's decree in respect of the Udipi undertaking would stand automatically validated. Apart from this, since the deposit to be made in the High Court represents only

the additional compensation payable for the Gulpi undertaking and such ~~all point~~ deposit being to the advantage of the licensee Company, ~~it~~ is not likely to be contested ~~the deposit~~ by the licensee co. on the ground that it cannot be validly made in view of the Supreme Court's decision referred to above. In the circumstances, there seems to be no objection to the C.O.E. taking necessary action even now to deposit the decree amount in the Court as already instructed by the Government. If this view is accepted, the C.O.E. may be informed accordingly.

Law (Opinion) may see for remarks with ref. to 'X' above. (The further report of C.O.E.(S) with reference to the claim of the Asst. Government Pleader for ~~renume~~ renumeration mentioned at 'A' on p.113 cf. may be dealt with on receipt).

16.3.54

16-3-54

As all proceedings taken under the Acqn. Act 9 1948 will be validated by the new Act and as ~~under~~ interest at 3% p.a. has to paid on the amount fixed in the arbitration award till the date of payment, there is no advantage in delaying payment. The amount may be deposited in the Court immediately.

16.3.54

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
17 MAR 1954
3134
FINANCE DEPARTMENT

ASSISTANT SECRETARY
17 MAR 1954
4539c
LAW DEPARTMENT, MADRAS

A

A/16/3/54

A accn. & accn. 17.3.54.

Law (Op.)

Secy

WW.O.No: 4539-C/54-1

17-3-54

Fin (Exp B)

(Finance last saw on p 20 above)

Finance also may agree to the proposal at A on p 24 above.

27-3-54

22/3/54

PWD

PWD(Dy)

The typed notes of this Deptt. from p 22 ante may be perused. The Law and Finance Deptts. have agreed to the proposal of this Deptt. at A overleaf. Instructions may be issued accordingly. The draft memo below is for approval.

27.3.54

29.3.54

(Issued as G.O.Ms.No.572 dt 29.3.54)
(From the CoE(S), No.1905 E/53.9 dt 23.3.54)

Fin 3113 54 Con/54
ASST. SECRETARY to GOVT.
2 MAR 1955
PUBLIC WORKS DEPARTMENT
25733

The notes of this Dept. from AA to BB on pp.6-7 ante relating to the loss of certain records of the Udipi and Cochin Co. electrical undertakings may be perused.

2. In his letter dated 15.1.1954, the C.E.(S) reported that the S.E., Pykara Electricity System, had taken necessary action on the concerned Deputy Chief Accountant for the loss of the records relating to the Udipi electrical undertaking. As the loss of the records did not vitally affect the interests of the Government in the Arbitration proceedings in regard to the amount of compensation

p.t.o.

payable for the Udipi undertaking, the C.C.E.(S) recommended that no further action was called for in the matter. The recommendation was accepted in this Department.

In his present letter at p. 125 c.f., the C.C.E.(S) has reported that the missing records relating to the Cochin electrical undertaking are not traceable in spite of a vigorous search for the same. As the persons responsible for the loss of the records relating to Udipi and Cochin undertakings are the same and as the records appear to have been lost simultaneously and as action had already been taken against the Deputy Chief Accountant for the loss of the records relating to the Udipi undertaking, the C.C.E.(S) has recommended that no separate action is now called for in respect of loss of records relating to the Cochin undertaking and that the matter may be dropped. The recommendation of the C.C.E.(S) may be accepted.

Please see the letter from the C.C.E.(S) at pp. 127-128 c.f.

2. The point now for action in this file relates to the fee to be paid to the Asst. Government Pleader for the work done by him in the Madras High Court in connection with the proceedings relating to the passing of a decree in terms of the award of the

and the accredited representative of the Udipi Licensee Company, in regard to the amount of addl. compensation payable for the Udipi Co. elecl. undertaking.- ~~Please see the letter from the C.E.E at pp. 127-128 c.f~~. The C.E.I.G. and the C.E.E.(S) recommended the payment of the fee of Rs.50/- claimed by the Assistant Government Pleader. According to the decree passed by the High Court, the ~~Government~~ parties to the dispute will have to bear their own costs. In circumstances, the fee of Rs.50/- claimed by the Assistant Government Pleader and recommended by the C.E.E.(S), will have to be borne by the parties and may be sanctioned. A draft memo. is submitted. It may be sent to Public (Gl.F) and Fin. for acceptance.

9.4.54 12.4.54

Pub (Gl-F)
Fin

UNDER SECRETARY 14 APL 1954 PUBLIC DEPARTMENT

D.No.57266 J/53-1
12.4.54

Public (General-F) Department.

The draft Memo. below and the notes at 'XXX' on p.26 may be perused. The Govt. did not object to the award passed by the Arbitrator. The Asst. G.P. was requested to represent to the Court that the Govt. have no objection to a decree being passed in accordance with the award of the Arbitrator in regard to the amount of additional compensation payable for the Udipi elecl. undertaking. ~~There were arguments in the court.~~ Orders were passed accordingly. The Asst. G.P. has claimed Rs.50/- for his ~~work in this case~~ appearance in Court. The Chief Engr. has recommended the claim. The Asst. G.P. has not stated the basis on which the fee has been claimed. Taking into account the nature of work done, this Dept. may suggest that the Asst. G.P. may be paid the minumum fee of Rs.30/- in accordance with G.O.No.696, Home, dated 20-2-47.

The file may be passed on to Fin.

2230
21.4.54

DEPUTY SECRETARY TO GOVERNMENT EB 40191 21 APR 1954

21.4

Public General Fin
No.2230/54
21.4.54.

D.4.54. 20.4.54.

Fin

(Finance last noted on f 25 above)
The notes from the foot of f 26 above may
perused. Finance may agree with Pub.
at a sum of Rs 30/- only need be paid to
the Govt. Pleader.

P.S.H

28/4/54

Notes of Public & Fin. Departments above may perused. The Public Department has suggested and nance has agreed, that in accordance with G.O.No.686 me dated 20-2-47, the Govt. Pleader need be paid on e minimum fee of Rs.30/- due to him in the present se, as against his claim of Rs.50/-. In the circumances stated by the Public Department, the suggesti 'A' above may be agreed to in this Department also

2. Please see the letter from the C.O.E.(S) p.131 c.f. wherein he has reported about the depos the High Court of the amount of further compensati yable for the Udipi Co. undertaking in accordance :h the arbitration award. No action ~~therefore~~ seem lled for on this.

3. Subject to orders on para 1 above, the draft no. below has been suitably modified. For orders the draft memo. as modified may now issue.

Pl. see from xxx on p.26 ante.

28/5/54 The draft below as amended in pencil may be approved.

28.5.54

S

This must be seen by M including the M
in charge of Laws, as we are not conceding his fe
claimed, ino

4/7/74

M(W) Manuscripts Gts.

M(Lit) Guthmanicum

8.5.52

Passed as Decree 5.7266 [53-13-7]

No further action seem e
x on this file. The papers may b
e cooked in a Gp. (Ms. Semi).

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Ordinary Original Civil Jurisdiction

O.P. No. 350 of 1952.

-:-

In the matter of the Indian Arbitration Act X of 1940 and in the matter of the Arbitration between V.V.Subba Rao, the Accredited Representative of the Udipi Electric Supply Corporation Limited and the State of Madras

V.V. SUBBA RAO, the Accredited Representative of the Udipi Electric Supply Corporation Ltd.) PETITIONER.

1. Sri K. Bhashyam.)
2. The State of Madras.) RESPONDENTS.

Petition under Section 14 of the Arbitration Act, Act X of 1940.

-:-

The Petitioner abovenamed states as follows:-

1. The Petitioner abovenamed is the sole and Accredited Representative of the Udipi Electric Supply Corporation Limited, appointed as such by the said Company at its Meeting held on 21st February 1951 pursuant to the provisions of Section 8 of the Madras Electricity Supply Undertakings (Acquisition) Act, 1948, Madras Act XLIII of 1949.

The address for service of all notices and processes on the petitioner is that of his Advocate, Sri V. Ramachandra Row, at No. 13, Law Chambers, High Court, Madras.

2. The First Respondent is a Retired District Judge residing at No. 251-2nd Main Road, Gandhinagar, Adyar.

The Second Respondent is the State of Madras, which is respondent in the acquisition proceedings by the Secretary to the Government of Madras, Public Works Department and the Chief Electrical Inspector to Government of Madras.

3. Pursuant to the powers which the Second Respondent vested itself with under its own enactment, that is, The Madras Electricity Supply Undertakings (Acquisition) Act 1948, the Second Respondent compulsorily acquired, with effect from 1-8-1951 the Undertakings of the Udipi Electric Supply Corporation Limited, a Public Limited Company registered under the Indian Companies Act and having its Registered Office at Madras and its Power Houses at Udipi and Varkala.

4. The Second Respondent having compulsorily acquired the undertakings of the said Udipi Electric Supply Corporation Limited, the Petitioner, as the Sole and Accredited Representative of the said Company chose as the basis of compensation - Basis-C, referred to under Section 5(3) of the Madras Electricity Supply Undertakings (Acquisition) Act 1949, and submitted his statement of claim to the Second Respondent on 5-12-1951 for Rs. 1,90,410--2--3.

5. As ultimately the claim pressed by the Petitioner was allowed by the Second Respondent in full, but fell short by Rs. 87-0-0 and the Second Respondent refused to reconsider its decision, the Petitioner requested the Second Respondent to refer the matters in dispute for arbitration under the provisions of Section 14 of Madras Act XLIII of 1949 and the Second Respondent appointed the First Respondent as the Sole Arbitrator by order dated 9-1-1952 in G.O.No. 9734.

6. On 2-1-52, the Respondent communicated the appointment

[illegible] to the Petitioner and the Second Respondent to file their statements and Reply Statement. The Petitioner filed his Statement of Claim on 15-9-1953, the Second Respondent filed his Statement on 22-9-1953 and the Petitioner filed his Reply on 28-9-1953.

2. The claim of the petitioner and the objection of the Second Respondent were discussed at several sittings of the Court, the Arbitrator, have in award ordered and directed the Second Respondent to pay to the petitioner the sum of Rs. 1,644-0-6 with interest thereon at the rate of 6% per annum from 1-10-1951. The First Respondent has filed his statement on 21-9-1953 Rs. 600/- being the fee at Rs. 1,500/- and as per his order dated 14-9-1953 paid his fee Rs. 600/- being the balance fee.

3. The Petitioner now prays that the award of the Arbitrator be set aside and to enable him to obtain and recover the amount that may be paid to him by the Second Respondent it is necessary that the said award passed by the First Respondent or the same should be directed to be filed into this Honourable Court and made a decree of the Court.

4. The Petitioner therefore prays for an order

(a) directing the First Respondent, his servants or agents to cause the award passed by him on 14-9-1953 together with the documents taken and proved before him to be filed in this Honourable Court on or before a date to be fixed;

(b) directing that notice of the filing of the award shall be given to the Petitioner and the Second Respondent after proof that (a) above has been complied with;

(c) directing that judgment be passed in terms of the said award;

(d) giving such other directions for the further proceedings;

(e) and that such further or other order may be made as the circumstances of the case may require.

Dated at Madras this day of

ADVOCATE FOR THE PETITIONER

PETITIONER

I, K.[illegible], [illegible], DO HEREBY SOLEMNLY AFFIRM THAT I AM [illegible] THAT WHAT IS STATED ABOVE IS TRUE TO MY KNOWLEDGE.

DATED AT MADRAS THIS DAY OF